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March 29, 2007

**VIA HAND DELIVERY**

Sharla Dillon, Docket Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: Atmos Energy Corporation Petition for Approval  
of Tariff Establishing Cost Recovery Rider

Dear Ms. Dillon:

67-00081

Enclosed is Atmos Energy's original Petition for Approval of Tariff Establishing Cost Recovery Rider for filing today, along with four hard copies, a pdf-formatted disc containing an electronic version of the original and our check in the amount of \$25.00 to cover your filing fee.

As always, thank you for your assistance in this matter.

Yours truly,



Sarah Martin McConnell  
Paralegal

SMM:bms  
Enclosures

**ATMOS ENERGY CORPORATION  
PETITION FOR APPROVAL OF TARIFF  
ESTABLISHING COST RECOVERY RIDER**

TRA DOCKET NO. 07-00081

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

<b>PETITION OF ATMOS ENERGY</b>	)	
<b>CORPORATION FOR APPROVAL OF</b>	)	
<b>TARIFF ESTABLISHING</b>	)	
<b>ENVIRONMENTAL COST RECOVERY</b>	)	
<b>RIDER</b>	)	<b>DOCKET NO. 07-_____</b>

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**PETITION FOR APPROVAL OF TARIFF ESTABLISHING  
ENVIRONMENTAL COST RECOVERY RIDER**

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Pursuant to TRA Rule 1220-4-1-.06, Atmos Energy Corporation, a Texas and Virginia corporation (“Atmos” or “Petitioner”), respectfully requests that the Tennessee Regulatory Authority (“TRA”) approve Petitioner’s tariff establishing an Environmental Cost Recovery Rider (“ECRR”), which is attached hereto as Exhibit A.

In support of this Petition, Atmos submits the following:

1. The full name and address of the principal place of business of the Petitioner are:

Atmos Energy Corporation  
810 Crescent Centre Drive  
Suite 600  
Franklin, Tennessee 37067-6226

2. All correspondence and communications with respect to this Petition should be sent to the following:

Patricia Childers  
Vice President, Rates & Regulatory Affairs  
Mid-States Division  
Atmos Energy Corporation  
810 Crescent Centre Drive  
Suite 600  
Franklin, Tennessee 37067-6226

Telephone: (615) 771-8332  
Facsimile: (615) 771-8301

Douglas C. Walther  
Associate General Counsel  
Atmos Energy Corporation  
5430 LBJ Freeway  
Suite 1800  
Dallas, Texas 75240  
Telephone: (972) 855-3102  
Facsimile: (214) 550-9302

William T. Ramsey  
Neal & Harwell, PLC  
Suite 2000  
One Nashville Place  
150 Fourth Avenue North  
Nashville, Tennessee 37219  
Telephone: (615) 244-1713  
Facsimile: (615) 726-0573

3. Atmos is incorporated under the laws of the State of Texas and Commonwealth of Virginia and is engaged in the business of transporting, distributing and selling natural gas in Bedford, Blount, Carter, Greene, Hamblen, Maury, Moore, Obion, Rutherford, Sullivan and Williamson Counties within the State of Tennessee. Atmos is a public utility pursuant to the laws of the State of Tennessee and its public utility operations within Tennessee are subject to the jurisdiction of the TRA. Petitioner's utility operations within Tennessee are conducted through its Kentucky/Mid-States Division.

4. In Docket No. 94-02529 before the Tennessee Public Service Commission ("TPSC"), the TPSC entered an order (the "Deferral Order") authorizing Petitioner's predecessor-in-interest, United Cities Gas Company<sup>1</sup>, to defer certain costs related to

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<sup>1</sup> Petitioner acquired United Cities Gas Company by merger in 1997. *See In re: Joint Application of Atmos Energy Corporation and United Cities Gas Company for an Order authorizing (1) the acquisition and merger of United Cities Gas Company into Atmos Energy Corporation; (2) the issuance of up to*

compliance with environmental control requirements imposed by various federal and state agencies to satisfy its legally mandated obligations to clean-up certain underground storage tanks (USTs) and manufactured gas plants (MGPs). Under the terms of the Deferral Order, Petitioner was authorized to defer all costs incurred in connection with the assessment and cleanups required under the applicable environmental guidelines. Under the terms of the Deferral Order, any ratemaking treatment concerning the deferred costs was to be made later and in a separate docket.<sup>2</sup>

5. Since the entry of the Deferral Order, Petitioner has complied with applicable environmental control requirements of federal and state agencies by removing five USTs, remediating an MGP site in Bristol, Tennessee, and is in the final phases of remediating an MGP site in Johnson City, Tennessee. The costs, as of the date of this Petition, which Petitioner has deferred under the terms of the Deferral Order, total \$2,364,756.72. Petitioner anticipates expending an additional approximate sum of \$350,000 within the next twelve months to conclude the remediation of and satisfy the requirements of the Record of Decision issued by the Tennessee Department of Environmental Control (TDEC) for the Johnson City MGP site, which will bring the total deferred costs to \$2,714,756.72. The Company has performed and will perform this work to satisfy its legal obligations pursuant to applicable environmental laws and under and pursuant to the approval and strict oversight of the TDEC, a sister agency of the TRA.

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*18,000,000 shares of common stock by Atmos Energy Corporation IN ORDER to effect said merger, and for other corporate purposes; (3) the transfer of authority to provide utility service from United Cities Gas Company to Atmos Energy Corporation, for related authority, and for other, further, and general relief,*  
Docket No. 96-01299.

<sup>2</sup> See Deferral Order, p. 4.

6. In the recent TRA Docket No. 05-000258<sup>3</sup>, Petitioner proposed to recover the deferred costs as part of its Operation and Maintenance (O&M) expense by amortizing the costs over a period of three years commencing October 1, 2006<sup>4</sup>. On October 25, 2006, TRA Director Pat Miller filed a Motion in Docket No. 05-000258 setting forth the recommendations for a decision by the TRA in Phase 1 of that docket<sup>5</sup>. In his Motion, Director Miller recommends the denial of the inclusion of the deferred amounts because, before any such costs are expensed, the Deferral Order requires a hearing to determine the authenticity of such costs and the manner of recovery. However, Director Miller preserves the Petitioner's right to bring the issue before the TRA in the future for a hearing to determine the appropriate amount to be recovered and the manner of recovery<sup>6</sup>.

7. The purpose of the ECRR is to provide a mechanism for the recovery of the deferral costs authorized by the Deferral Order in a manner that is comparable to that proposed by Petitioner in Docket No. 05-00258, and has been developed by Petitioner in response to the recommendations in Director Miller's Motion. The implementation of the ECRR provides for the recovery of the deferral costs by adjusting the rates per Ccf (100 cubic feet) of gas set forth in all of Petitioner's Rate Schedules by an amount equal to the Environmental Costs Recovery Factor (the "ECR Factor"), as hereinafter described.

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<sup>3</sup> This docket was styled *Petition to Open An Investigation to Determine Whether Atmos Energy Corp. Should Be Required by the Tennessee Regulatory Authority to Appear and Show Cause that Atmos Energy Corp. is not Overearning in Violation of Tennessee Law and that it is Charging Rates that are Just and Reasonable*.

<sup>4</sup> See Prepared Direct Testimony of Greg Waller, p. 6, filed on behalf of Petitioner in Docket No. 05-00258.

<sup>5</sup> Although, as of the date hereof, the TRA has not formally entered an order adopting the recommendations in Director Miller's motion, the directors have unanimously adopted the motion in administrative session.

<sup>6</sup> See Director Miller's Motion, p. 5, Docket No. 05-00258.

8. The ECR Factor will be computed to the nearest one-hundredth cent per Ccf based upon total deferred costs of \$2,714,756.72 to be recovered over a three-year period for an annual amount of \$904,918.91. The annual expense is then divided by the adjusted test period volumes approved in the Petitioner's most recent general rate proceeding by the TRA<sup>7</sup>, resulting in an ECR Factor of \$0.0047 per Ccf which will be applied to all volumes<sup>8</sup> delivered by Petitioner (both sales and transportation) no earlier than the effective date of the approval of the ECRR.

9. Commencing with the period thirty-six months after implementation of the ECRR, Petitioner would be required to calculate the amount by which the revenue recovered by it under the ECRR during each twelve month period was greater or less than the actual expense, such amount being referred to as the "Balancing Adjustment". The Balancing Adjustment if positive (under-recovery) or if negative (over-recovery) would be divided by the adjusted test period sales utilized in the initial computation of the ECRR to derive a factor to the nearest one-hundredth cent per Ccf to be applied to all volumes delivered<sup>9</sup> (sales and transportation) by Petitioner during the ensuing twelve month period.

10. Inasmuch as the deferral costs include anticipated expenditures during Petitioner's 2007 fiscal year, the total deferral costs of \$2,714,756.72 initially included within the ECRR would be adjusted upward or downward to reflect actual expenditures during the next twelve months once those actual costs become known.

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<sup>7</sup> The most recent general rate proceeding of Petitioner before the TRA was Docket No. 05-00258. Adjusted test period volumes in that docket were found to be 193,251,300 Ccf (less special contract and Saturn automobile plant volumes). If another rate proceeding involving the Petitioner is commenced and concluded before the TRA while the ECRR is still in effect, then the ECR Factor would be re-calculated for the remaining term of the ECRR based upon the adjusted test period volumes approved in the subsequent rate proceeding.

<sup>8</sup> Other than special contract and Saturn automobile plant volumes.

<sup>9</sup> *Id.*

11. The Company would propose to file as directed by the TRA a copy of each computation of the ECR Factor as well as any reasonable periodic reporting which the TRA may prescribe in connection with the Company's administration of the ECRR.

12. The Company believes that the implementation of the ECRR is in the public interest because it provides for the recovery of costs in a manner which is uniformly and fairly applied across all customer classes over a reasonable period of time. This is essentially the same mechanism used by Petitioner for recovery of similar costs in Georgia and which was approved by the Georgia Public Service Commission in that commission's Docket No. 4188-U.

13. In support of this Petition, Petitioner submits the pre-filed testimony of Greg Waller, Vice President of Finance for the Kentucky/Mid-States Division of Atmos Energy Corporation.

WHEREFORE, Petitioner prays:

1. That the TRA approve the tariff attached hereto which establishes an Environmental Cost Recovery Rider for Atmos Energy Corporation and that such tariff be approved effective June 1, 2007.

2. That Petitioner be granted such other and/or further relief as may be warranted.



Respectfully submitted,

**NEAL & HARWELL, PLC**

By: William T. Ramsey  
William T. Ramsey, #9245

A. Scott Ross, #15634

2000 One Nashville Place  
150 Fourth Avenue North  
Nashville, Tennessee 37219  
(615) 244-1713

## **Exhibit A**

**Environmental Cost Recovery Rider**Intent and Applicability

This Environmental Cost Recovery Rider (ECRR) is intended to authorize the Company to recover costs related to compliance with environmental control requirements imposed by various federal and state agencies. The ECRR will provide for recovery of these costs by adjusting the rates per Ccf (100 cubic feet) of gas set forth in all of the Company's rate schedules by an amount equal to the Environmental Costs Recovery Factor (the "ECR Factor"), as hereinafter described.

Computation and Application

- A. The ECR Factor shall be computed to the nearest one-hundredth cent per Ccf in the following manner:
1. The actual expense of \$2,714,756.72 shall be recovered over a three year period for an amount of \$904,918.91 annually.
  2. The annual expense shall be divided by the adjusted test period volumes approved in the Company's most recent general rate proceeding by the Tennessee Regulatory Authority.
  3. The ECR Factor shall be \$0.0047/Ccf.
- B. The ECR Factor shall be applied to all volumes delivered by the Company (sales and transportation) no earlier than the effective date of approval of this Rider.

Balancing Adjustment

- A. Commencing with the period thirty-six (36) months after implementation of the ECRR, the Company shall calculate the amount by which the revenue recovered by the Company under the ECRR during each twelve (12) month period was greater or less than the actual expense. This amount shall hereinafter be referred to as the "Balancing Adjustment".
- B. The "Balancing Adjustment" if positive (over-recovery) or if negative (under-recovery) shall be divided by the adjusted test period sales utilized in the initial computation of the ECRR to derive a factor to the nearest one-hundredth cent per Ccf to be applied to all volumes<sup>1</sup> delivered (sales and transportation) by the Company during the ensuing twelve month period.

Additional Adjustments

Inasmuch as the deferral costs include actual expenditures as well as some level of anticipated expenditures, the total deferral costs of \$2,714,756.72 initially included within the ECRR will be adjusted upward or downward to reflect total actual expenditures once those total actual costs become known.

Issued by: Patricia J. Childers, VP Rates and Regulatory Affairs  
Date Issued: \_\_\_\_\_

Effective Date: \_\_\_\_\_

<sup>1</sup> Other than special contract or Saturn automobile plant volumes.

**Environmental Cost Recovery Rider (Continued)**

Filing with the Tennessee Regulatory Authority

The Company will file as directed by the Tennessee Regulatory Authority a copy of each computation of the ECR Factor as well as any reasonable periodic reporting which the TRA may prescribe in connection with the Company's administration of the ECRR.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF ATMOS ENERGY )  
CORPORATION FOR APPROVAL OF )  
TARIFF ESTABLISHING )  
ENVIRONMENTAL COST RECOVERY )  
RIDER )**

**DOCKET NO. 07-\_\_\_\_\_**

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**PRE-FILED TESTIMONY OF GREG WALLER  
ON BEHALF OF ATMOS ENERGY CORPORATION**

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1   **Q.     Please state your name, position and business address.**

2   A.     My name is Greg Waller. I am Vice President of Finance for the Kentucky/Mid-  
3           States Division of Atmos Energy Corporation (the "Company"). My business  
4           address is 810 Crescent Centre Drive, Suite 600, Franklin, TN 37067.

5   **Q.     Please briefly describe your current responsibilities, and professional and**  
6           **educational background.**

7   A.     I am responsible for monitoring and analyzing the financial performance of the  
8           Company's Kentucky and Mid-States Divisions, and implementing necessary  
9           actions based on those results. I also direct the development of the annual budget  
10          for these two divisions. My other responsibilities include establishing and  
11          maintaining policy, procedures, and controls to ensure compliance with corporate  
12          accounting policies, Generally Accepted Accounting Principles, United States  
13          (GAAP), and regulatory requirements. I am a 1994 graduate of Dartmouth  
14          College, with a degree in economics, and I also hold an MBA from the University  
15          of Texas. I began my career as a management consultant for Towers Perin

1 working with several oil and gas clients. In 2003, I joined the Company in the  
2 Planning and Budgeting Department at the Company's corporate offices in  
3 Dallas, Texas. I have been in my current role as divisional Vice President of  
4 Finance since November of 2005.

5 **Q. Have you ever testified before the Tennessee Regulatory Authority ("TRA")**  
6 **or any other regulatory commission?**

7 A. Yes. I provided pre-filed direct testimony in TRA Docket No. 05-000258.

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. The purpose of my testimony is to sponsor and describe the components of the  
10 Company's proposed Environmental Cost Recovery Rider Tariff ("ECRR"), and  
11 to describe how the ECRR will work.

12 **Q. Are you sponsoring any Schedules in this proceeding?**

13 A. Yes, I am sponsoring the following Schedules:

14 **Schedule GW-1** – Summary of the environmental remediation activities  
15 necessitating the costs that have been deferred.

16 **Schedule GW-2** – A true and correct copy of the Tennessee Public Service  
17 Commission's Order entered in Docket No. 94-02529.

18 **Schedule GW-3** – Detail supporting environmental costs that have been deferred.

19 **Schedule GW-4** – Projected environmental costs to conclude required  
20 environmental remediation.

21 **Q. Please explain why environmental costs were deferred?**

1 A. In Docket No. 94-02529, the Company (through its predecessor United Cities Gas  
2 Company<sup>1</sup>) requested authority from the Tennessee Public Service Commission  
3 to defer certain costs related to compliance with environmental control  
4 requirements imposed by various federal and state laws and regulations to meet  
5 applicable standards relative to the remediation of underground storage tanks  
6 (USTs) and manufactured gas plants (MGPs). A more particular description of  
7 the applicable requirements is set forth in Schedule GW-1. The Company  
8 performed this work to satisfy its legal obligations pursuant to applicable  
9 environmental laws and it was conducted pursuant to the approval and oversight  
10 of the Tennessee Department of Environmental Control (TDEC), a sister agency  
11 to the TRA.

12 **Q. Did the Tennessee Public Service Commission authorize the Company to**  
13 **defer the costs?**

14 A. Yes. On October 4, 1994, the Tennessee Public Service Commission entered an  
15 order to this effect (the "Deferral Order") in Docket No. 94-02529. Under the  
16 terms of the Deferral Order, the Company is authorized to defer all costs incurred  
17 in connection with the assessment and cleanups required under the applicable  
18 environmental guidelines. A copy of the Deferral Order is attached as Schedule  
19 GW-2.

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<sup>1</sup>The Company acquired United Cities Gas Company by merger in 1997. See *In re: Joint Application of Atmos Energy Corporation and United Cities Gas Company for an Order authorizing (1) the acquisition and merger of United Cities Gas Company into Atmos Energy Corporation; (2) the issuance of up to 18,000,000 shares of common stock by Atmos Energy Corporation IN ORDER to effect said merger, and for other corporate purposes; (3) the transfer of authority to provide utility service from United Cities Gas Company to Atmos Energy Corporation, for related authority, and for other, further, and general relief*, Docket No. 96-01299.

1 **Q. What environmental compliance activities has the Company undertaken**  
2 **since the entry of the Deferral Order?**

3 A. Since the entry of the Deferral Order, the Company has removed five (5) USTs in  
4 Tennessee, remediated an MGP site in Bristol, Tennessee, and is in the final  
5 phases of a remedial action at an MGP site in Johnson City, Tennessee. The  
6 Company's compliance activities with respect to these matters is more fully  
7 described in Schedule GW-1.

8 **Q. Please briefly describe the purpose of Schedule GW-1.**

9 A. This Schedule is a report that was prepared at my request by Mr. Stuart Schulz,  
10 who is employed by the Company's Kentucky/Mid-States Division as an  
11 Environmental Specialist. Over the years, Mr. Schulz has been directly involved  
12 in the Company's environmental compliance activities, including the oversight of  
13 the removal of the USTs and the remedial activities associated with the MGP sites  
14 in Bristol and Johnson City, Tennessee. The report provides a reasonable level of  
15 detail regarding the Company's remedial activities concerning these matters over  
16 the years, as well as the applicable environmental control requirements which  
17 necessitated the compliance activities and the expenditure of the deferred costs.

18 **Q. What is the total amount of the environmental compliance costs that has**  
19 **been deferred under the authority of the Deferral Order?**

20 A. As of the date of this Petition, the total sum of \$2,364,756.72 has been deferred  
21 pursuant to the Deferral Order. These deferred costs are more particularly  
22 detailed in Schedule GW-3 attached hereto. During the next twelve months, the  
23 Company anticipates that it will spend an additional sum of \$350,000 that will be



1 eligible for deferral under the terms of the Deferral Order in connection with the  
2 Johnson City MGP site. These costs will be incurred as a result of capping the  
3 site with a clay geosynthetic cap that will eliminate contact and prevent vapor  
4 migration from the site. It will include a 1-foot level layering of compacted clay  
5 to provide a base for the geosynthetic liner, the installation of a geosynthetic liner  
6 covered by a 2-foot layer of clay to keep the material in place. Finally, topsoil  
7 will be added to a 0.5 feet thickness to support vegetation and ensure adequate  
8 drainage. This step is a requirement of the Record of Decision (ROD) issued by  
9 the TDEC on November 30, 2005. The ROD is contained in Schedule GW-1,  
10 Attachment A.

11 In order to complete the aforementioned remedial action, the Company originally  
12 had projected total installation costs of \$547,500, as is more particularly detailed  
13 in Schedule GW-4 attached hereto. However, the Company believes that it can  
14 complete the required construction and achieve compliance with the applicable  
15 environmental requirements for approximately \$350,000. Accordingly, it is  
16 anticipated that a total sum of \$2,714,756.72 will have been deferred under the  
17 authority of the Deferral Order (the "Deferred Environmental Costs").

18 **Q. Does the Company expect any additional environmental compliance costs**  
19 **will be deferred other than what you have already described?**

20 A. The Company anticipates that it will most likely incur ongoing operation and  
21 maintenance expense for the Johnson City MGP site of approximately \$55,000 to  
22 \$60,000 per year related to groundwater monitoring. These costs are also detailed  
23 in Schedule GW-4. However, the Company has not included those projected

1 costs as part of this filing because it believes such costs are more properly treated  
2 as part of the Company's Operation and Maintenance (O&M) expense. As more  
3 particularly detailed in Schedule GW-1, any such ongoing costs will most likely  
4 be in the form of periodic sampling from groundwater monitoring wells to be  
5 installed at the Johnson City MGP site as part of the remedial action for that site.  
6 The Company does not anticipate that any further substantial costs associated  
7 with the Johnson City site would be incurred in the future unless further  
8 groundwater contamination is detected. In such event, the Company would be  
9 required to conduct a full investigation under the oversight of the TDEC regarding  
10 the source and scope of groundwater contamination and then develop a remedial  
11 action plan if necessary. Inasmuch as the extent of costs associated with such a  
12 contingent event are not fixed and certain, or reasonably quantifiable, the  
13 Company would seek authority from the TRA for authority to defer any such  
14 costs.

15 **Q. Did the Deferral Order address the ratemaking treatment of the Deferred**  
16 **Environmental Costs?**

17 A. No. The Deferral Order specifically provides that any ratemaking treatment of  
18 the Deferred Environmental Costs will be made later and in a separate docket.

19 **Q. Prior to initiating this proceeding, has the Company sought ratemaking**  
20 **treatment for the Deferred Environmental Costs?**

21 A. Yes. In the recent TRA Docket No. 05-000258<sup>2</sup>, the Company proposed (through  
22 my direct testimony filed in that proceeding) to recover part of the Deferred

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<sup>2</sup> This docket was styled *Petition to Open An Investigation to Determine Whether Atmos Energy Corp. Should Be Required by the Tennessee Regulatory Authority to Appear and Show Cause that Atmos Energy*

1 Environmental Costs as part of its O&M expense by amortizing the costs over a  
2 period of three years commencing October 1, 2006.

3 **Q. Did the TRA adopt the Company's proposal in Docket No. 05-000258?**

4 A. No. On October 26, 2006, TRA Director Pat Miller filed a Motion in that  
5 proceeding with recommendations for a decision by the TRA in Phase 1 of the  
6 docket. In his Motion, Director Miller recommended that the Deferred  
7 Environmental Costs because before any such costs are expensed the Deferral  
8 Order requires a hearing to determine the authenticity of such costs and the  
9 manner of recovery.<sup>3</sup> Director Miller's motion invited the Company to bring the  
10 issue before the TRA for a hearing to determine the appropriate amount to be  
11 recovered and the manner of recovery.<sup>4</sup> Although the TRA has not entered a  
12 written order, the directors unanimously adopted Director Miller's motion in  
13 administrative session. The Company has initiated this proceeding as the forum  
14 for the TRA to determine the appropriate amount of the Deferred Environmental  
15 Costs to be recovered and the manner of recovery.

16 **Q. What manner of recovery is the Company proposing for the Deferred**  
17 **Environmental Costs?**

18 A. The Company proposes to implement the ECRR tariff, which is attached to the  
19 Company's Petition as Exhibit A.

20 **Q. Why does the Company propose to implement a rider?**

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*Corp. is not Overearning in Violation of Tennessee Law and that it is Charging Rates that are Just and Reasonable.*

<sup>3</sup> See Director Miller's Motion, p. 4, Docket No. 05-00258.

<sup>4</sup> *Id.* at p. 5.

1 A. The purpose of the ECRR is to provide a mechanism for the recovery of the  
2 Deferred Environmental Costs in a manner that is different from, yet comparable  
3 with, that proposed by the Company in Docket No. 05-00258, and which has been  
4 developed by the Company in response to Director Miller's Motion. A rider  
5 mechanism will allow recovery of the actual Deferred Environmental Costs over a  
6 set period of time from all customer classes in a manner that is fairly and  
7 uniformly applied. Once the term of the rider expires, the tariff will expire by  
8 operation of law without the necessity of further action on the part of the TRA.

9 By contrast, if the Deferred Environmental Costs were included as an  
10 O&M expense in the Company's revenue requirement for purposes of a general  
11 rate proceeding, then, once the costs had been recovered, the removal of the costs  
12 would have to be effected as part of a subsequent general rate proceeding. In  
13 addition, the Deferred Environmental Costs are extraordinary costs which are not  
14 customarily synonymous with ordinary O&M expense.<sup>5</sup> The rider traditionally  
15 has been the mechanism used by public utility regulatory authorities to address  
16 the recovery of extraordinary costs. The rider mechanism proposed herein is  
17 essentially the same as the rider that was approved for the Company by the  
18 Georgia Public Service Commission.<sup>6</sup>

19 **Q. How would the proposed rider work?**

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<sup>5</sup> The Company proposed this treatment in Docket No. 05-00258 because it was the most expedient means of addressing the costs within the time constraints the parties to that docket were operating under.

<sup>6</sup> In the 1990s, the Georgia Public Service Commission in Docket No. 4188-U approved the Company's implementation of a "Manufactured Gas Plant Recovery Rider" to recover environmental costs associated with a manufactured gas plant site in Columbus, Georgia. No costs associated with USTs were incurred in Georgia for purposes of recovery under the rider. This rider has since expired by its terms.

1 A. The implementation of the ECRR provides for the recovery of the Deferred  
2 Environmental Costs by adjusting the rates per Ccf (100 cubic fee) of gas set forth  
3 in all of the Company's applicable Rate Schedules<sup>7</sup> by an amount equal to the  
4 Environmental Cost Recovery Factor (the "ECR Factor").

5 **Q. Is the ECRR a rider to the Company's purchased gas adjustment clause?**

6 A. No. The ECRR would be a volumetric margin revenue adjustment factor, not a  
7 factor that would adjust purchased gas costs through the PGA. From an  
8 accounting standpoint, the annual amount of the Deferred Environmental Costs  
9 would be moved to Account 191. Annual recovery of these costs pursuant to the  
10 tariff would be credited to Account 191 and debited to Account 142. Any  
11 positive balance in Account 191 at the end of the 12-month term would indicate  
12 an under-recovery for that period and any negative balance in that account would  
13 indicate an over-recovery for that same period. Any under or over-recovery from  
14 a previous 12-month period in Account 191 would be carried forward to and  
15 aggregated with the subsequent ECRR annual amount moved from Account 186.  
16 This process would be followed for each year of the term of the ECRR and any  
17 remaining under or over-recovery in Account 191 at the end of the term of the  
18 ECRR would be rectified through the Balancing Adjustment mechanism in the  
19 ECRR tariff and described later in my testimony.

20 **Q. How will the ECR Factor be calculated?**

21 A. The ECR Factor would be calculated to the nearest one-hundredth cent per Ccf  
22 based upon the total Deferred Environmental Costs of \$2,714,756.72 to be  
23 recovered over a three-year period for an annual amount of \$904,918.91. The

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<sup>7</sup> Rate Schedules 210, 211, 220, 221, 225, 230, 240, 250, 292 and 293.

1 annual expense then would be divided by the adjusted test period volumes  
2 approved by the TRA in the Company's most recent general rate proceeding  
3 (initially Docket No. 05-00258<sup>8</sup>), resulting in an initial ECR Factor of \$0.0047 per  
4 Ccf that would be applied to all volumes<sup>9</sup> of natural gas delivered by the  
5 Company in Tennessee (both sales and transportation). Recovery would begin no  
6 sooner than the effective date of the TRA's approval of the ECRR. If a  
7 subsequent general rate proceeding involving the Company is commenced and  
8 concluded before the TRA while the ECRR is still in effect, then the ECR Factor  
9 would be re-calculated for the remaining term of the ECRR based upon the  
10 adjusted test period volumes approved by the TRA in the subsequent rate  
11 proceeding.

12 **Q. Does the ECRR address any over or under-recovery?**

13 A. Yes. Commencing with the period thirty-six months after implementation of the  
14 ECRR, the Company would calculate the amount by which the revenue recovered  
15 under the ECRR during each twelve month period was greater or less than the  
16 actual annual expense of \$904,918.91, which is referred to as the "Balancing  
17 Adjustment". The Balancing Adjustment if positive (indicating an under-  
18 recovery) or if negative (indicating an over-recovery) would be divided by the  
19 adjusted test period volumes utilized in the initial computation of the ECR Factor  
20 to derive a factor to the nearest one-hundredth cent per Ccf to be applied to all

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<sup>8</sup> Adjusted test period volumes would be 193,251,300 Ccf (less special contract and Saturn automobile plant volumes).

<sup>9</sup> Other than special contract and Saturn automobile plant volumes.

1 volumes<sup>10</sup> delivered (both sales and transportation) by the Company in Tennessee  
2 during the ensuing twelve-month period.

3 **Q. Inasmuch as the Deferred Environmental Costs include a projected (as**  
4 **opposed to actual) cost for the conclusion of the Johnson City MGP Site, how**  
5 **does the Company propose to adjust the ECRR once actual costs become**  
6 **known?**

7 A. Once the actual costs become known, the annual amounts recoverable through the  
8 ECRR for the second and third years of the term of the ECRR would be adjusted  
9 upward or downward to account therefore. For example, if the actual costs end up  
10 at \$300,000 instead of the budgeted \$350,000, then the annual amounts included  
11 in the ECRR for the second and third years would each be reduced by \$25,000  
12 and the ECR Factor for each of those years would be calculated based upon the  
13 adjusted annual amount. Similarly, if the actual costs rise to \$400,000, then the  
14 annual amounts for the second and third years each would be increased by  
15 \$25,000 and the ECR Factor for each of those years would be calculated based  
16 upon the adjusted annual amount.

17 **Q. Does the Company have any proposal relative to the audit of the Deferred**  
18 **Environmental Costs?**

19 A. Yes. The Company would agree to the entry of an interim order by the TRA  
20 suspending the effectiveness of the ECRR Tariff until June 1, 2007, or such other  
21 reasonable period of time as determined by the TRA, to enable TRA Staff to  
22 review and audit the costs deferred by the Company under the terms of the  
23 Deferral Order and for the TRA to conduct a public hearing thereon.

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<sup>10</sup> *Id.*

1   **Q.    Has that portion of the Deferred Environmental Costs already incurred by**  
2       **the Company been prudently incurred?**

3   A.   Yes. As more particularly explained in the report attached as Schedule GW-1, the  
4       deferred costs detailed in Schedule GW-3 were prudently incurred by the  
5       Company to satisfy its legal obligations pursuant to applicable environmental  
6       laws. As I stated earlier, the work at the MGP sites was performed pursuant to  
7       Consent Orders with TDEC and therefore was approved by and conducted under  
8       the strict oversight by TDEC. In addition, the Company made every effort to  
9       perform the work in a cost-effective manner. This is reflected by the fact that  
10      costs to remediate the MGP sites were well below the industry average which is  
11      somewhere between three to five million dollars per site to achieve environmental  
12      compliance.

13   **Q.    Will the remaining portion of the Deferred Environmental Costs be**  
14       **prudently incurred?**

15   A.   Yes. As more particularly explained in the report attached as Schedule GW-1, the  
16       deferred costs to finish the Johnson City MGP Site and detailed in Schedule GW-  
17       4 will be prudently incurred for the same reasons supporting that portion of the  
18       Deferred Environmental Costs already incurred and the work will be conducted  
19       pursuant to approval and oversight of TDEC.

20   **Q.    If the TRA approves the implementation of the ECRR, is the Company**  
21       **willing to provide subsequent information to the TRA regarding the**  
22       **administration of the Tariff?**



1 A. Yes. The Company proposes to file as directed by the TRA a copy of each  
2 computation of the ECR Factor. The Company would also agree to any  
3 reasonable periodic reporting which the TRA may prescribe in connection with  
4 the Company's administration of the ECRR. Moreover, inasmuch as the  
5 Company's proposal includes costs which are anticipated to be incurred, the  
6 Company would agree to a supplemental audit to be performed by TRA Staff, if  
7 the TRA deems appropriate, as soon as practicable after the actual costs become  
8 known, and prior to any adjustment of the annual amounts to be recovered  
9 through the ECRR during the second and third years of the term of the Tariff.

10 **Q. Does the Company believe that the implementation of the ECRR is in the**  
11 **public interest?**

12 A. Yes, because it provides for the recovery of costs, prudently incurred by the  
13 Company to comply with governmental requirements, in a manner that is  
14 uniformly and fairly applied across all customers over a reasonable period of  
15 time. Moreover, it is essentially the same mechanism previously approved by  
16 another regulatory agency having jurisdiction over the Company.

17 **Q. Does this conclude your testimony?**

18 A. Yes.

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL OF  
TARIFF ESTABLISHING  
ENVIRONMENTAL COST RECOVERY  
RIDER**

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)  
)  
)  
)

**DOCKET NO. 07-\_\_\_\_\_**

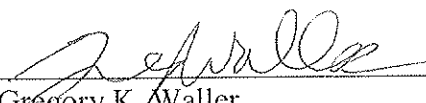
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**VERIFICATION**

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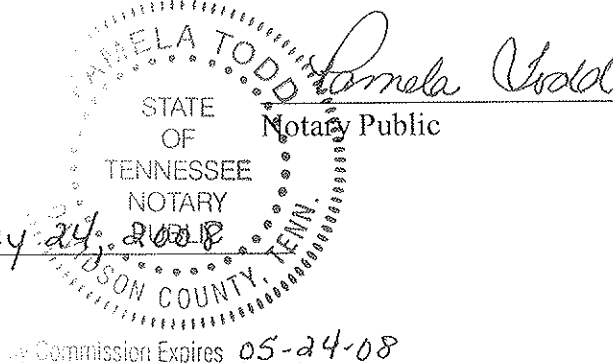
STATE OF TENNESSEE     )  
  )  
COUNTY OF WILLIAMSON )

I, Gregory K. Waller, being first duly sworn, state that I am Vice President of Finance for the Kentucky/Mid-States Division of Atmos Energy Corporation, that I am authorized to testify on behalf of Atmos Energy Corporation in the above referenced docket, that the Testimony of Gregory K. Waller in support of Atmos Energy Corporation's Petition and the Exhibits thereto pre-filed in this docket on the date of filing of this Petition are true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_  
Gregory K. Waller

Sworn and subscribed before me this 20th day of MARCH, 2007.

My Commission Expires: MAY 24, 2008



**Schedule GW-1**

**Environmental Activity Summary  
For Projects  
Deferred Expenses**

## **MANUFACTURED GAS PLANT SITES**

Atmos is the owner or previous owner of manufactured gas plant (MGP) sites in Johnson City and Bristol, Tennessee, which were used to supply gas prior to the availability of natural gas. The gas manufacturing process resulted in certain byproducts and residual materials, including coal tar. The manufacturing process used by our predecessors was an acceptable and satisfactory process at the time such operations were being conducted. Under current environmental protection laws and regulations, Atmos is responsible for response actions with respect to such materials.

### **Johnson City MGP Site**

On January 23, 1997, United Cities and the Tennessee Department of Environment and Conservation, Division of Remediation (TDEC-DOR) signed a Consent Order Agreement (Agreement) to manage the site under the state Voluntary Cleanup Oversight and Assistance Program. Consequently, all work conducted at the site has been performed pursuant to the Agreement and under the oversight and approval of TDEC (See Attachment A).

A Phase I Site Evaluation Report was approved by TDEC-DOR on July 10, 1997. A Preliminary Site Investigation (PSI) was conducted by Company during 1997 which included collecting and analyzing soil, residual material, surface-water, sediment, and groundwater samples.

A Phase II Remedial Investigation (RI) was conducted during the fall of 1999 and the spring of 2000. Tasks completed at the site in 1999 included the installation of ten groundwater monitor wells (nine shallow, residuum wells and one deep, bedrock well), the installation of three soil borings, and the installation of a stream staff gauge. Soil samples were collected from the soil and well borings and analyzed for Target Compound List organic compounds and Target Analyte List metals.

Two additional bedrock groundwater monitor wells (MW-3D and MW-4D) were installed during February 2000 to obtain a better understanding of site conditions. In addition, a 1-inch monitor well was installed across Tennessee Street (northeast of the site) to further define downgradient conditions in shallow groundwater. A focused analyte list was selected for that sampling event based on analytical results from the October 1999 sampling event.

The resulting Phase II RI Report was approved by TDEC-DOR in September 2000. Benzene, ethylbenzene, toluene, and xylenes, PAHs and select metals were identified as preliminary Constituents of Potential Concern (COPCs) in the Phase II RI Report.

Additional groundwater baseline monitoring was conducted during February 2001 in preparation for interim-action activities.

Four former source areas of MGP byproducts and residual materials were excavated during June 2001 as a part of an Interim Action (IA) conducted at the site. These areas included the following: 1) the underground storage tank (UST) area which is also addressed in the discussion of USTs; 2) tar-water separator areas; 3) storage holder pad, and 4) tar-well area. The objectives of the IA were to remove residual material from identified source areas; pre-treat residual material potentially containing benzene at concentrations exceeding 0.5 milligrams per liter in accordance with the USEPA Area of Contamination policy; apply Oxygen Release Compound and porous backfill material to enhance natural attenuation of groundwater impacts; and transport non-hazardous residual material off site for thermal treatment.

During the IA a total of 921.36 tons of coal tar and impacted soil were excavated and transported to a facility in Virginia for thermal desorption treatment and ultimate disposal as clean landfill cover; a total of 8,006 gallons of impacted water was removed from the site; and 660 pounds of Oxygen Release Compound was added to the excavation areas during backfilling. In addition, post-excavation confirmatory subsurface soil samples were collected at the four excavated source areas. Further, one new monitoring well was also installed at that time to replace a previously installed well. Oxygen Release Compound was applied during gravel backfilling of the excavated areas to enhance natural attenuation processes and reduce concentrations of contaminants in groundwater. Further, from August through September 2001, the remaining buildings at the site were demolished to building footers and were removed from the site.

Post-interim-action groundwater field monitoring was conducted monthly from July 2001 through February 2002. Several field biogeochemical parameters were measured in selected wells to assess the effectiveness of the interim actions, particularly source removal and Oxygen Release Compound application. Samples were collected from four wells located near the excavated areas in July 2001 and analyzed for BTEX. In October 2001, six groundwater monitoring wells were sampled and analyzed for BTEX and selected PAHs. Field measurements collected in January 2002 indicated that the Oxygen Release Compound was no longer releasing significant dissolved oxygen (DO) concentrations.

In February 2004, Company prepared a Focused Feasibility Study (FFS) for the site in accordance with requirements of the TDEC-DOR. The FFS included an identification of remedial action objectives for the site including: preliminary remediation goals; identification, evaluation, and screening of remedial technologies; development, screening, and detailed analysis of remedial alternatives for the site; selection of a preferred alternative for remediation the site; and conceptual design of the preferred remedial alternative. The FFS was approved by TDEC-DOR on February 2, 2005 and selected the preferred alternative for remediating the site as outlined in the FFS. The alternative includes land-use restrictions, capping and monitored natural attenuation. A Record of Decision was issued on December 5, 2005 by TDEC-DOR. The Record of Decision is TDECs official decision regarding the remediation of the site. A copy of the Record of Decision is included in Attachment A.

The Record of Decision requires Atmos Energy to implement land-use restrictions that will limit potential exposure to hazardous substances by limiting human activities at or near the facilities where hazardous substances would remain. The Notice of Land Use Restrictions will restrict the use of the property so that no portion can be used as a residence, domicile, daycare, school or church with an outdoor playground until the property owner satisfies TDEC-DRO that the invasive activity will not pose a danger to public health, safety or the environment. The Notice of Land Use Restrictions was filed with the Washington County Register of Deeds on February 21, 2006 (See Attachment A).

During Fiscal Year 2007, Atmos Energy will install the cap and monitored natural attenuation monitoring system. Capping the site with a clay/geosynthetic textile cap will eliminate contact with soils and prevent vapor migration. Due to irregularities from building footings, a 1-foot leveling layer of compacted clay is necessary to provide a base for a geosynthetic material to the 1.8 acre site. Over the clay base, a geosynthetic material will be added to prevent vapor migration, and a 2-foot layer of compacted clay will be added to keep the geosynthetic material in place. Topsoil will be filled to a 0.5-foot thickness to support vegetation and ensure adequate drainage. The addition of a vapor barrier and clay cap, and subsequent elevated grade, is consistent with likely future commercial land use.

A monitoring program will be established for groundwater to determine the status of natural attenuation and to detect any potential impacted area movement. The current monitoring well network will provide substantial coverage for determination of natural attenuation parameters, but may require construction or modification during capping activities. Groundwater sampling and analysis will use previous groundwater sampling events to establish a baseline for future comparison. Thereafter, monitoring wells in the program will be sampled annually. Based on the monitoring results, the sampling location and frequency will be adjusted as appropriate.

For consistency with the USEPA Comprehensive Five-Year Guidance, Five-Year Reviews will be conducted every five years to determine if the remedy is functioning as intended and if site conditions have changed to the point that remedial action is no longer necessary.

### **Bristol MGP Site**

In October 1995, the Company removed two Underground Storage Tanks (USTs) from the site. During the closure of the USTs, soils were determined to be above State cleanup levels and were removed. In January 1996, an environmental assessment was conducted by Company to investigate contaminant concentrations associated with the USTs. Based on these findings from this assessment, no hydrocarbons were detected above applicable State Cleanup levels in the site soils and groundwater. These response activities are further discussed in the section on Underground Storage Tanks.

In 2002, the Company conducted a Preliminary Site Investigation (PSI) of the MGP site at the request of TDEC-DOR to characterize site conditions. The PSI report was submitted to the TDEC –DOR on April 22, 2002. The results of this investigation indicated three potential source areas of contamination: 1) Tar Well-1, 2) Tar Well-2, and 3) Spray Pond. The constituents of concern included benzene, polycyclic aromatic hydrocarbons (PAHs), and metals. As a supplement to the PSI a geophysical survey was conducted in December of 2002 to explore geophysical anomalies that may be related to historic wells and to characterize the geophysical conditions at the site. All activities associated with the PSI were conducted at the request of TDEC-DOR but prior to an agreement between the Company and TDEC.

Based on the results of previous investigations, a Brownfields Voluntary Agreement was entered into between TDEC-DOR and Atmos Energy Corporation (Atmos) on April 13, 2004 for the purpose of addressing the real or perceived threats from hazardous substances, solid waste, or any other pollutant. This agreement outlined a cleanup strategy and timeline for implementation. All work performed at the site subsequent to the Agreement has been conducted pursuant to the terms of the Agreement and under the oversight and approval of TDEC. A copy of the Agreement is provided in Attachment B.

In order to meet the requirements of the Agreement, a Removal Action (RA) Work Plan was prepared by Company and approved by TDEC-DOR on November 1, 2004 for the excavation and disposal of soils from the three potential source areas. During the project planning phase, both ambient air acceptable concentrations and corresponding ambient air action levels were established for all target compounds. The goals of the RA activities were to reduce source materials to the extent practicable, add a reagent for in-situ remedial benefit, and restore the site to pre-RA conditions. These RA activities were accomplished within 6 weeks and successfully met the challenges to minimize impacts to site operations and provide public safety. The removal of residual materials from the former MGP satisfied the terms of the Agreement. On February 27, 2006, the Company was notified by TDEC-DOR that the tasks set forth in the Agreement to remediate impacted soils at the site were complete and that no further action under the Agreement was required. A copy of the completion letter is provided in Attachment B.

In accordance with the requirements of the Agreement, land use restrictions on the site were implemented on August 24, 2005. These restrictions include a deed amendment that restricts activities and certain uses at the site. The restrictions also include restricting property use as a residence, domicile, day care, school, recreational facility, or church. The restrictions also prohibit the use of groundwater as a drinking water source and any activities that would result in contact to subsurface soils. Restrictions were submitted in writing and filed with the Sullivan County Register of Deeds. A copy of the restrictions is provided in Attachment B.

## **UNDERGROUND STORAGE TANK SITES**

United Cities Gas had five underground storage tank (UST) sites in Tennessee that required cleanup and were included within the scope of the deferral order. These UST sites were located in Franklin, Kingsport, Bristol and Johnson City which had two sites. Work on the UST sites began in August 1994 and concluded in September, 2000.

### **Franklin UST Site**

United Cities purchased this property located at 118 Second Avenue North, Franklin, Tennessee on December 30, 1988. As part of the property acquisition, United Cities acquired an 8,000 gallon underground storage tank which contained diesel fuel. At the time United Cities acquired the diesel tank, it no longer was in use. Additionally, prior to the purchase of this property by United Cities a 1,000 gallon underground storage tank which contained gasoline was removed from the property.

On July 8, 1994, United Cities filed an Application for Permanent Closure for the diesel UST system with the State of Tennessee, Division of Underground Storage Tanks (TDEC-DUST). TDEC-DUST approved the closure application on July 11, 1994 (See Attachment C).

On July 29, 1994, United Cities removed the diesel tank. When the tank was removed, United Cities discovered that the tank had released its contents into the surrounding environment and the TDEC-DUST was notified of the release (See Attachment C).

On or about August 8, 1994, United Cities filed an Authorization for Fund Eligibility form with TDEC-DUST seeking reimbursement from the Tennessee Petroleum Underground Storage Tank Fund for covered expenses. On August 12, 1994, TDEC-DUST notified United Cities that the Franklin UST site did not meet the prerequisites for fund eligibility.

On September 8, 1994, United Cities filed a Petition for Declaratory Order requesting TDEC-DUST reverse its decision and a Petition for Hearing. On September 22, 1994, TDEC-DUST Board determined it would adjudicate the Petition for Declaratory Order. United Cities responded to two sets of Interrogatories in July and October, 1996. On January 14, 1997, the TDEC-DUST Board upheld its decision to deny Fund Eligibility. On March 26, 1999, United Cities withdrew its Petition for Declaratory Order. (See Attachment C).

Consistent with TDEC-DUST guidelines, United Cities took two actions in an effort to abate the release of petroleum in the immediate vicinity of the former diesel tank pit. The first action occurred on November 18, 1994, and the second action occurred on April 17, 1996. As a result of these two abatement actions, a total of 179 cubic yards of petroleum impacted soil was excavated and removed from the site. Soil samples collected at the conclusion of the second event revealed the migration of petroleum contamination to a larger area than previously anticipated. Therefore, as required by TDEC-DUST on May



16, 1996, four groundwater monitoring wells were installed on the property on January 30, 1997 (See Appendix C).

On April 14, 1997, United Cities submitted an Initial Site Characterization Report to TDEC-DUST summarizing the data collected from the four monitoring wells and recommending the site be granted "monitoring only" status. A monitoring only program was approved by TDEC-DUST (See Attachment C).

From February 1997 until February 2000, United Cities conducted quarterly groundwater monitoring at the site. In general, benzene and total petroleum hydrocarbon concentrations were observed to decrease during this monitoring period. Correspondence documenting these activities is included in Attachment C.

On February 28, 2000, United Cities received notice from TDEC-DUST that results of Technical Guidance Document #15 (TGD #015) indicated that the projected concentration of diesel range organics at the point of compliance located 83 feet downgradient of the release were below the applicable cleanup levels. Therefore, TDEC-DUST considered the site closed with respect to the diesel tank. However, the notice further stated that the site was being turned over to the Division of Solid Waste (DSW) with respect to the contamination resulting from the former gasoline tank (See Attachment C).

In March 2000, United Cities contacted TDEC-DSW concerning the transfer of the regulatory oversight and future actions at the site. At that time, it was decided that the site should be reevaluated by TGD #015 for contamination attributed only to the former gasoline tank.

During the preparation of TGD #015, the need for more recent soil analysis was identified and on May 24, 2000, additional soil samples were collected from the release point.

Based on the results of the soil monitoring event and the reevaluation of TGD #015, the site met the closure requirements for benzene, but groundwater contamination was slightly higher than the total petroleum hydrocarbon, gasoline range organics requirement. However, the actual field measured concentrations did indicate that the concentrations were below the closure requirement. Therefore, United Cities requested that TDEC-DSW consider the site for closure. On September 18, 2000, TDEC-DSW notified Company that no further action was required at the Franklin site (See Attachment C).

### **Kingsport UST Site**

United Cities acquired a 1,000 gallon gasoline underground storage tank at 1575 Jared Drive in Kingsport, Tennessee on December 4, 1986, as a result of the merger and acquisition of the Tennessee-Virginia Energy Corporation. The tank was installed in 1975.

On November 14, 1994, United Cities filed an application for permanent closure of the tank with TDEC-DUST (See Attachment D). TDEC-DUST approved the application for closure and the tank was scheduled for removal.

On November 29, 2004, the tank was excavated and removed. In accordance with TDEC-DUST guidance, soil samples were collected from the tank pit to determine if a release had occurred during the operational history of the tank. Analytical results did not indicate soil contamination above the applicable cleanup levels.

On December 12, 1994, United Cities filed a Permanent Closure Report with TDEC-DUST documenting the tank removal and clean closure (See Attachment D).

On December 30, 1994, TDEC-DUST approved the Permanent Closure Report and notified United Cities that no further action was necessary (See Attachment D).

### **Bristol UST Site**

United Cities acquired a 550 gallon gasoline underground storage tank and a 500 gallon diesel underground storage tank at 816 Shelby Street in Bristol, Tennessee on December 4, 1986, as a result of the merger and acquisition of the Tennessee-Virginia Energy Corporation. The diesel tank was installed in 1980 and the gasoline tank was added in 1983.

In December 1994, United Cities filed an application for temporary closure of the tanks with TDEC-DUST.

On September 18, 1995, United Cities filed an application to permanently close the tanks. On September 22, 1995, TDEC-DUST approved the application and the tank removal was scheduled for October (See Attachment E).

On October 19, 1995, United Cities excavated and removed both tanks from the site. During the closure, soil contamination above TDEC-DUST cleanup levels was discovered. In an attempt to abate the impacted soils, an additional 76 cubic yards of soil was excavated from the tank pit. Analytical results from soil samples collected from the tank pit confirmed over excavation was successful at removing the impacted soil.

During the over excavation, groundwater was encountered and sampled. Analytical results from a groundwater sample revealed total petroleum hydrocarbons above the applicable cleanup level.

On November 30, 1995, United Cities submitted a Closure Report to TDEC-DUST documenting the tank removal and site activities (See Attachment E).

On January 22, 1996, United Cities submitted an Authorization Form for Reimbursement from the Petroleum Underground Storage Tank Fund (UST Fund) (See Attachment E).

In late January 1996, United Cities initiated a groundwater investigation in accordance with TDEC-DUST guidelines. A total of five soil borings and four monitoring wells were installed across the site. All soil or groundwater concentrations were found to be below the applicable cleanup level.

On March 11, 1996, United Cities submitted an Environmental Assessment Report to TDEC-DUST documenting the results of the investigation and recommending that the site be considered for closure monitoring.

On March 27, 1996, United Cities was notified by TDEC-DUST that the the Bristol UST site was eligible for reimbursement for the UST Fund at ten percent of approved costs (See Attachment E).

On June 20, 2006, United Cities received notice from TDEC-DUST that further monitoring and corrective action were not required and that after properly abandoning the monitoring wells and disposing of the soil generated during the over excavation, the site would be considered closed (See Attachment E).

On July 10, 1996, United Cities completed the proper abandonment of all monitoring wells on site and disposal of approximately 50 cubic yards of contaminated soil generated during the closure assessment.

On July 17, 1996, United Cities notified TDEC-DUST that all monitor wells had been properly abandoned and that all soil was properly disposed of off-site (See Attachment E).

On August 14, 1996, Company received notice from TDEC-DUST that the case was closed (See Attachment E).

On June 25, 1997, United Cities received a reimbursement from the UST Fund in the amount of \$673.90. The funds were credited back to the deferral account (See Attachment E).

#### **Johnson City UST Site (W. Market Street)**

United Cities installed a UST system at 2833 West Market Street in Johnson City in the fall of 1989. The UST system consisted of one 2,000 gallon gasoline tank and one 1,000 gallon diesel tank.

On April 27, 1998, United Cities filed an application to permanently close the tanks. The closure application was approved by TDEC-DUST on April 28, 1998 (See Attachment F).

On December 2, 1998, United Cities excavated and removed both tanks from the site. No indications of leakage were observed. Soil samples collected in accordance with TDEC-DUST guidelines confirmed this observation.

On January 27, 1999, United Cities filed a Permanent Closure Report with TDEC-DUST documenting the closure of the UST system (See Attachment F).

On October 14, 1999, United Cities received notice from TDEC-DUST that the Permanent Closure Report was approved and that no further action was required (See Attachment F).

### **Johnson City UST Site (Tennessee Street)**

United Cities acquired a 2,000 gallon gasoline underground storage tank at Tennessee Street and Security Lane in Johnson City, Tennessee on December 4, 1986, as a result of the merger and acquisition of the Tennessee-Virginia Energy Corporation.

On September 18, 1995, United Cities filed an application to permanently close the tank. TDEC-DUST approved the application on September 22, 1995 (See Attachment G).

On October 18, 1995, United Cities excavated and removed the tank from the site. During the removal, soil and groundwater was found to be impacted above the applicable cleanup levels. Although gasoline was the only product historically stored in the tank, diesel was the primary constituent detected in the closure samples.

On November 30, 1995, United Cities submitted a closure report to TDEC-DUST documenting the removal of the gasoline tank. In addition, United Cities provided additional information to support its position that the petroleum contamination detected during closure activities did not result from the gasoline tank, but was the result of a "diesel type" fuel oil stock used in the historical operation of the facility as a manufactured gas plant (See Attachment G).

On December 14, 1995, United Cities was notified by TDEC-DUST that the information provided in the November 30, 1995 report was insufficient to prove that the source of the petroleum contamination did not come from the gasoline tank. Further, TDEC-DUST ordered United Cities to conduct initial abatement actions to address the petroleum contamination and conduct an initial site characterization by January 29, 1996 (See Attachment G).

On February 9, 1996, United Cities submitted a Supplemental Site Assessment Work Plan to TDEC-DUST to determine the source of petroleum contamination detected in soil and groundwater samples collected during the closure of the tank.

On February 27, 1996, TDEC-DUST approved the supplemental work plan (See Attachment G).

On May 28, 1996, United Cities submitted an Authorization Form for Reimbursement from the Petroleum Underground Storage Tank Fund (Fund) to TDEC-DUST. On August 21, 2006, TDEC-DUST notified United Cities that the request for Fund eligibility was denied (See Attachment G).

On July 9, 1996, at the request of United Cities, TDEC-DUST transferred the regulatory lead for the site to the Voluntary Oversight and Assistance Program (VOAP). A summary of activities in the VOAP are presented in the previous section addressing MGPs.

## Attachment A

COPY

STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

IN THE MATTER OF:	)	DIVISION OF SUPERFUND
	)	
UNITED CITIES GAS COMPANY	)	CASE NO. 96-0395
	)	
	)	SITE NUMBER 90-513
	)	

CONSENT ORDER AND AGREEMENT

This Consent Order and Agreement is made and entered into by and between the Tennessee Department of Environment and Conservation (hereinafter "Department") and United Cities Gas Company for the purposes of facilitating the investigation, removal and remediation of a certain hazardous substance site and investigation of a former underground storage tank site.

PARTIES

I.

Justin P. Wilson is the duly appointed Commissioner of the Department. Kenneth W. Bunting has been delegated the authority to enter into Consent Orders and Agreements.

II.

United Cities Gas Company (hereinafter the "Respondent" or "United Cities") is a corporation organized under and existing by virtue of the laws of the State of Illinois and the State of Virginia. United Cities has its principal place of business at 5300 Maryland Way, Brentwood, Tennessee.

JURISDICTION

III.

Pursuant to Tennessee Code Annotated § 68-212-201 et seq., the Commissioner is authorized to enter into a Consent Order and Agreement (hereinafter "ORDER") with a party who is willing and able to conduct an investigation and cleanup of an inactive hazardous substance site. Pursuant to Tennessee Code Annotated §68-215-101, et seq., the Commissioner is authorized to issue an Order concerning the investigation of a former underground storage tank.

#### IV.

The Site, hereinafter described is an inactive hazardous substance site within the meaning of Tennessee Code Annotated § 68-212-202(3), which defines a "hazardous substance site" to mean any site or area where hazardous substance disposal has occurred. The Site is also a former petroleum site within the meaning of Tennessee Code Annotated §68-215-103(12). United Cities is voluntarily entering into the Department's Voluntary Oversight and Assistance Program for the purpose of work at the Site as described herein.

#### FACTS

#### V.

United Cities is the current owner of property located at Tennessee Street and Security Lane in Johnson City, Tennessee, more particularly described in the legal description attached as Exhibit A to this ORDER ("Site"). United Cities uses the Site as a service center for its natural gas distribution business. Prior to the use of the Site as a service center, from approximately 1915 through and including 1945, the Site was the location of a manufactured gas plant ("MGP") utilizing the coal carbonization and carbureted water gas manufacturing processes. Generally, in both processes, coal was utilized to produce a combustible gas that was then stored until distribution through the gas supply system.

#### VI.

As a result of the regular and ordinary operations of the MGP, there is a potential for the presence of MGP-related process residual constituents in the soils and groundwater. Six major constituent classes of compounds potentially may be present from MGP process residuals: polynuclear aromatic hydrocarbons ("PAHs"), volatile aromatics, phenolics, inorganic nitrogen (including cyanide compounds), inorganic sulfur and trace metals. These compounds may be present as a result of a variety of processes, operations and feed stock. Soil and groundwater analytical results from analyses performed of samples taken at the Site indicated detectable concentration levels of PAHs that are consistent with PAHs detected in MGP process residuals. The Respondent has advised the Department that the concentration levels for detected PAHs, however, do not appear to exceed health-based risk levels.

#### VII.

The Site is also the location of a former 2,000 gallon gasoline underground storage tank ("UST") which was removed by United Cities in October, 1995. During the UST removal, petroleum impacted soil and groundwater were detected and an occurrence was properly reported by United Cities. During the course of performing a closure assessment



in accordance with the Department's Division of Underground Storage Tanks ("Division") 1994 Closure Assessment Guidelines, United Cities found indications of soil and groundwater impact which may potentially have resulted from MGP process residuals. The UST closure assessment work further suggested that the petroleum contamination discovered in the soil and groundwater may be the result of petroleum release(s) originating from the MGP process residuals. At the request of United Cities, on July 9, 1996, the Division transferred the regulatory lead for the Site to the Voluntary Oversight and Assistance Program managed by the Department's Division of Superfund ("VOAP"). On or about May 28, 1996, United Cities submitted its application for authorization for fund eligibility seeking a determination from the Division to determine if corrective action costs associated with the possible release from the one (1) 2,000 gallon UST are reimbursable from the petroleum underground storage tank fund established under Tennessee Code Annotated §68-53-110 ("Fund").

#### VIII.

Based upon records maintained by United Cities and publicly available records, the ownership and operatorship history of the Site is listed on Exhibit B hereto. According to that history, while gas manufacturing operations were conducted, the Site has been owned or operated by, *inter alia*, the following entities: Washington County Gas Company, Appleby-Wagner Co., Central Public Service Company, and Stone & Webster.

#### IX.

The Commissioner deems compliance with the requirements of this ORDER as controlling of investigative requirements arising from the Tennessee Underground Petroleum Storage Tank Act, Tennessee Code Annotated §68-215-101 *et seq.* The "soil and groundwater classification and clean-up criteria" applied to the petroleum release and specific contaminants attributable to this release shall be governed by Tennessee Code Annotated §68-215-127(b).

#### ORDER

#### X.

WHEREFORE, PREMISES CONSIDERED, the Parties stipulate and agree as follows:

- A. Effective immediately, except as otherwise required by this ORDER, neither the hazardous substance site nor any hazardous substance on or in it shall be disturbed, moved or removed except by mutual agreement between the parties.

B. REMEDIAL INVESTIGATION/FEASIBILITY STUDY

1. Within one hundred twenty (120) days of the effective date of this ORDER, the Respondent shall submit to the Department all site background information including, but not limited to, results of previous investigations and other pertinent information required by Rule 1200-1-13-.09(2)(a)1. Following the evaluation of this information, an assessment conference will be scheduled.
2. The Respondent may submit to the Department recommendations for interim actions as set out in Rule 1200-1-13-.09(2)(c). Any recommended interim actions approved by the Department shall be implemented by the Respondent.
3. The Respondent shall perform a Remedial Investigation and Feasibility Study (RI/FS) which complies with Department Rule 1200-1-13-.09. EPA's Guidance Document for Conducting RI/FS (Interim Final), EPA 540/G-89/004 shall be consulted. The Remedial Investigation and Feasibility Study shall be performed by the Respondent according to a mutually agreed upon schedule. This schedule shall be reduced to writing, signed on behalf of the Department and the Respondent, and appended to this ORDER. This appended schedule shall become an enforceable part of this ORDER. If the Department requests further information, evaluation, or investigation prior to approval of the Remedial Investigation Report or Feasibility Study, then the Respondent shall perform the additional activities and submit the requested information or results according to a mutually agreed upon schedule and in the format requested by the Department.
4. The Respondent shall submit and implement a public participation program outlining the community relations activities proposed to be performed by the Respondent. Public participation activities will consist of a minimum of two activities: public notice when the site enters the program and public notice prior to the Department's finalization of the Record of Decision. Each public notice shall be placed in a newspaper by the Respondent after Department approval of the wording of the public notice, the newspaper(s)

selected for the publishing of the notice, and the proposed schedule for publication. The Respondent shall submit proposed wording, newspaper name(s), and publication date(s) for the initial notice within thirty (30) days of all parties signing the ORDER. The initial public notice shall provide the public the opportunity to be placed on a mailing list concerning the Site. The Respondent shall submit to the Department proposed wording, newspaper name(s) and publication date(s) for the second public notice within thirty (30) days of submittal of the Feasibility Study to the Department. The second public notice shall provide the public with the opportunity to request a public meeting and/or provide comments on the Remedial Alternatives. The comment period for the Remedial Alternatives will continue for at least thirty (30) days after the date of the public notice or public meeting, whichever is later. All comments should be received by the Department initially, not the Respondent, the Department will then forward copies to the Respondent. The Respondent shall forward a copy of the actual notice, as received from the newspaper(s) to the Department. Any additional public notice or community relations activities to be performed by the Respondent shall be established through mutual agreement between the Respondent and the Department. The Department may perform any additional public notice, public meeting, or community relations it deems appropriate for the Site. However, except in an emergency, the Department will provide the Respondent with at least ten (10) days advance notice of any additional community relations activities.

#### C. DECISION PROCESS FOR INVESTIGATION ACTIVITIES

1. The Respondent shall submit to the Department all information that is obtained during implementation of the remedial activities specified above. Following evaluation of this information, an assessment conference will be scheduled which the Respondent shall attend. The conference shall be scheduled at the mutual agreement of the parties. The purpose of this conference will be to discuss existing data and the need for any further investigation, remedial action, removal action, and/or long term monitoring and maintenance. If the Parties mutually agree that the Respondent should proceed with any further investigation, remedial action, removal action, and/or long term monitoring and maintenance, this agreement shall be

documented in writing, shall be signed on behalf of the Department and the Respondent, and shall be appended to this ORDER. Any such appended agreement shall become an enforceable part of this ORDER; however, if any term or condition of any such appended agreement conflicts with or is repugnant to any term or condition of the main body of this ORDER, the main body of this ORDER shall control and the contradictory or repugnant portions of the appended agreement shall be null and void.

2. Following the implementation of any appended agreement the Department may schedule an assessment conference that the Respondent shall attend. The conference shall be scheduled at the mutual agreement of the parties. If the Parties mutually agree that the Respondent should proceed with any further investigation, remedial action, interim action, and/or long term monitoring and maintenance, this agreement shall be reduced to writing, shall be signed on behalf of the Department and the Respondent, and shall be appended to this ORDER. Any such appended agreement shall become an enforceable part of this ORDER; however, if any term or condition of any such appended agreement conflicts with or is repugnant to any term or condition of the main body of this ORDER, the main body of this ORDER shall control and the contradictory or repugnant portions of the appended agreement shall be null and void.

#### D. REQUESTS FOR TIME EXTENSIONS

The Respondent may request a time extension for any deadline included in this ORDER prior to the deadline. The time extension may be granted through mutual consent for good cause shown. Any mutual agreement to extend a deadline shall be documented in writing, shall be signed on behalf of the Department and the Respondent, and shall be appended to this ORDER.

#### E. REMOVAL ACTION

If it becomes apparent at any point during the development or execution of any remedial activity under this ORDER, that an interim removal of a hazardous substance is necessary to abate a potential threat to health, safety or the environment, this action will be allowed through mutual consent and scheduling. This ORDER does not limit, abrogate,

or otherwise affect the authority of the Commissioner to abate an imminent and substantial danger.

F. SUBMISSION OF WASTE REMOVAL REPORTS

Prior to August 1st of each year, the Respondent shall supply the Department with a report that includes the site name, site number, and the following information for both the previous fiscal year (July 1 to June 30) and project cumulative:

- a. Name and amount (in KG) of each hazardous substance or hazardous substance containing material (e.g. soil) removed from the site;
- b. Pre-and post-treatment concentrations (if treatment occurs on-site);
- c. Volume of material treated on-site;
- d. Cost of implementation of this ORDER with separate breakouts for investigation costs, treatment costs, disposal costs, and lab costs.

G. OVERSIGHT AND ASSISTANCE COST

The Respondent shall pay all costs associated with the Department's oversight of and assistance in the implementation of this ORDER. Assistance includes, but is not limited to, the Commissioner's exercise of his authority under Tennessee Code Annotated § 68-212-206(a). Oversight costs shall include, but not be limited to, mileage, lab expense, the current hourly rate and benefits for the Department's employees actively employed in oversight of work under this ORDER, including preparation for and attendance at meetings, the current State overhead rate, and costs billed by State contractor(s) who are actively performing oversight. The State overhead rate for FY '96-'97 is 13.04% of the total oversight costs. The Department shall provide the Respondent with quarterly statements reflecting oversight costs posted during the previous quarter. Tennessee Code Annotated Section 68-212-224 requires a fee of FIVE THOUSAND (\$5,000.00) DOLLARS to enroll in the Voluntary Cleanup Oversight and Assistance Program. Oversight costs posted as of December 5, 1996 equals \$134.42. To cover costs incurred to date and the participation fee, the Respondent shall submit a check made payable to the State of Tennessee for \$5,134.42. This check must accompany this ORDER when it is signed on behalf of the Respondent and returned to the Department.

#### H. DISPUTE RESOLUTION

The Department and the Respondent shall use their best effort to resolve any disputes that may arise under this ORDER informally and in good faith. If a disagreement cannot be resolved informally, the parties jointly or individually may pursue the matter formally by requesting a Declaratory Ruling by the Tennessee Solid Waste Disposal Control Board. Any dispute concerning the reimbursement costs associated with the UST will be resolved before the Tennessee Petroleum UST Board.

#### I. SITE ACCESS

During the effective period of this ORDER, and until certification by the Department of completion of all activities under this ORDER, the Department and its representatives or designees shall have access during normal business hours and, upon reasonable notice, at non-business hours, to the Site, or any location where characterization or remediation has been, is, or will be conducted, pursuant to this ORDER. Such access may be for the purpose of monitoring activities; verifying data; conducting investigation; inspecting and copying records, logs or other documents that are not subject to a legally applicable privilege; and conducting other activities associated with the implementation of this ORDER. Nothing herein shall limit or otherwise affect the Department's right of entry, pursuant to any applicable statute, regulation or permit. The Department and its representative shall comply with all reasonable health and safety plans published by the Respondent or its contractor and used by Site personnel for the purpose of protecting life and property. If the safety plans are not included in the applicable Work Plan, they shall be provided to the Department prior to the commencement of Work Plan activities at the Site pursuant to this ORDER.

#### J. ASSESSMENT CONFERENCES

At any time deemed necessary by the Department, the Department may schedule an assessment conference that the Respondent shall attend. The conference shall be scheduled at the mutual agreement of the parties. If the Parties mutually agree that the Respondent should proceed with further investigation, this agreement shall be reduced to writing, shall be signed on behalf of the Department and the Respondent, and shall be appended to this ORDER. Any such appended agreement shall become an enforceable part of this ORDER; however, if any terms or condition of any such appended agreement

conflicts with or is repugnant to any term or condition of the main body of this ORDER, the main body of this ORDER shall control and the contradictory or repugnant portions of the appended agreement shall be null and void.

K. NCP REQUIREMENTS

To the extent practicable, any investigation, identification, containment and cleanup action performed under this ORDER, shall be consistent with the National Contingency Plan (NCP) promulgated pursuant to Section 105 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) as amended, (Public Law 96-510).

L. SUBMISSION OF INFORMATION, REPORTS, OR STUDIES

Any information, reports, or studies submitted under the terms of this ORDER shall contain the following notarized statement:

I certify under penalty of law, including but not limited to penalties for perjury, that the information contained in this document and on any attachment is true, accurate and complete to the best of my knowledge, information and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violation.

M. LETTER OF COMPLETION

Upon completion of all tasks set forth in this ORDER, the Department shall issue to the Respondent a letter stating the requirements of this ORDER have been fulfilled and no further action of the Respondent is required under this ORDER.

N. RESERVATION OF RIGHTS

1. This ORDER shall not be construed as waiving any right or authority available to the Commissioner to assess the Respondent for liability for civil penalties or damages incurred by the State. The right to order further investigation, remedial action, and/or monitoring and maintenance is also specifically reserved. Further, this ORDER shall not be construed as waiving, settling, or in any manner compromising any natural resource

damage claims which the Department or the State of Tennessee may have under Section 107 of CERCLA or any other statute, rule, regulation or common law.

2. This ORDER shall not be construed as an admission or evidence of any liability or any facts and shall not be used for any purpose or in any judicial or administrative proceeding except for a proceeding brought by either party to enforce the terms and conditions hereof. Nothing in this ORDER shall be interpreted as limiting the Respondent's right to preserve the confidentiality of attorney work product or client-attorney communication. T.C.A. § 68-212-202 et seq. contains no provisions for confidentiality or proprietary information. Therefore, records, reports, test results, or other information submitted to the Department under this ORDER shall be subject to public review. Any and all records, reports, test results or other information relating to an inactive hazardous substance site or the possible hazardous substance at the Site submitted under this ORDER may be used by the Department for all purposes set forth in T.C.A. § 68-212-201 et seq.
3. Either Party may terminate this Consent Order and Agreement at any time upon written notice to the other Party. Upon such termination, the Respondent shall have no further obligations hereunder other than payment of oversight costs accrued to the date of notice of termination. If either Party terminates this ORDER, both Parties shall have and retain all authority, rights and defenses as if this ORDER had never existed.

#### O. WAIVER OF RIGHT TO APPEAL

The Respondent understands that it has the right to appeal an ORDER pursuant to Tennessee Code Annotated §§ 68-212-215 and 4-5-301 et seq. The Respondent knowingly and voluntarily waives this right in so far as it applies to this ORDER.

#### P. NOTICES AND SUBMISSIONS

Whenever under the terms of this ORDER notice is required to be given or a report or other document is required to be forwarded by one party to another, it shall be



directed in writing to the following individuals at the addresses listed below (or to such other individuals or addresses as the parties may, from time to time, designate by written notice):

If to the Department:

Floyd Heflin  
Tennessee Department of Environment & Conservation  
Division of Superfund  
4th Floor, L&C Annex  
401 Church Street  
Nashville, TN 37243-1538  
(615) 532-0917  
(615) 650-9864 - fax

and a duplicate to:

Darrel Hale, Field Office Manager  
Division of Superfund  
Johnson City Environmental Field Office  
2305 Silverdale Rd  
Johnson City, TN 37601-2162  
(423)-854-5463  
(423)-854-5401 - fax

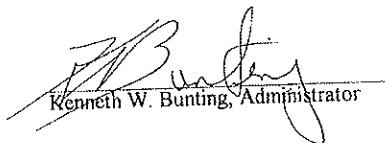
If to the Respondent:

Karol Sole  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, TN 37027  
(615)-373-0104; ext. 400  
(615)-370-5893 - fax

The individual signing below on behalf of the Respondent represents that he is a duly authorized agent, capable of entering into a binding ORDER on behalf of the Respondent.

ORDERED, AGREED, AND CONSENTED to by the parties.

12/17/96  
Date

  
Kenneth W. Bunting, Administrator

1/23/97  
Date

  
Gary W. Price, Vice President and Chief Engineer  
United Cities Gas Company

Ph/12/12/96  
V90513

**RECEIVED**

DEC 05 2005

**STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF REMEDIATION**

JOHNSON CITY ENVIRONMENTAL  
ASSISTANCE CENTER

**RECORD OF DECISION**

**UNITED CITIES GAS COMPANY  
WASHINGTON COUNTY, TENNESSEE**

**SITE ID #90-513**

**1.0 SITE DESCRIPTION AND OPERATIONAL HISTORY**

**1.1 Site**

The United Cities Gas Company (UCG) site is located on the northwest corner of the intersection of State of Franklin Road and Tennessee Street in Johnson City, Tennessee. Brush Creek flows toward the northeast along the northern side of the site. The site occupies approximately 1.8 acres and is currently inactive and vacant. The majority of the site is paved and fenced. Some areas of the site contain gravel fill material. Currently, no buildings are located on the site. The site and surrounding terrain are generally flat and are located within the 100-year floodplain of Brush Creek.

The site and surrounding properties remained essentially undeveloped until around 1915. Since that time, they have supported a mix of industrial and commercial activities, including the former Johnson City Foundry, which was located directly south of the site across State of Franklin Road. Land in the immediate vicinity is zoned heavy industrial.

The property south and southwest of the site, across State of Franklin Road where the foundry once existed, is currently a parking lot on the campus of East Tennessee State University (ETSU). The property west of the site is also owned by ETSU and is currently used to stockpile coal for the university. A railroad spur operated by Norfolk Southern Railway Company and the former Thomasville Furniture manufacturing facility are located to the north. Tennessee Street and a grassy vacant lot owned by Johnson City are located east of the site. Southeast of the site, another grassy vacant lot lies diagonally across the intersection of State of Franklin Road and Tennessee Street (near a McDonald's restaurant). No private residences exist on parcels adjacent to the site.

Johnson City obtains its municipal water supply from springs and surface water (Watauga River). The springs are located along Indian Creek approximately 10 miles south of the city. During previous investigations, no domestic water-supply wells were identified within a 0.5-mile radius of the site.

## 1.2 Site History

Prior to 1915, the site was undeveloped land. A manufactured gas plant (MGP) was constructed in 1915 to produce gas and other byproducts from coal. The gas manufacturing equipment included gas separation equipment, a coal tar well, a coal tar/water separator and a gas storage holder. The MGP was operational until 1954, when natural gas became available in Johnson City. Operation of the MGP ceased in 1954, and the site was utilized as a service center for utility service and construction crews from 1954 to 1996. It has not been used for commercial purposes since 1996, except for equipment and vehicle storage.

In 1915, Washington County Gas, under the ownership of the Appleby-Wagner Company, purchased the property and built a facility to manufacture gas from coal. In 1927, Federated Utilities, Incorporated purchased a controlling interest in Appleby-Wagner. The Central Public Service Corporation bought the property in 1928. On October 4, 1943, James Pierce purchased the site and sold it to Carl H. Schwyn on October 30, 1943. During July 1944, Carl H. Schwyn Utilities Incorporated was granted a new Tennessee charter and the name of the facility changed to the Watauga Valley Gas Company. The Rulane Corporation purchased the site in 1945 and sold out to a group of Johnson City and Chattanooga businessmen in 1947. The business charter was amended and the name was changed to the Volunteer Natural Gas Company in 1953. In 1980, the Volunteer Natural Gas Company became the Tennessee Virginia Energy Company, which merged with the United Cities Gas Company in 1986. The Atmos Energy Corporation currently owns the site after acquiring the United Cities Gas Company in 1997.

During the 1970s, site improvements/modifications included the dismantling and removal of equipment and two buildings associated with the former MGP operations. A total of twelve aboveground storage tanks (AST), used for gas storage, were sold and removed from the site in 1974. In 1976, an oil AST associated with gas production processes was sold and removed from the site. The coal tar well, the coal tar/water separator and the support structures for the gas storage holder and AST (all located below the ground surface) remained at the site.

A gasoline underground storage tank associated with the former field service and construction crew support operations was utilized until 1995, when the tank was removed under Tennessee Department of Environment and Conservation (TDEC) - Division of Underground Storage Tank (DUST) regulations. Findings from the DUST closure activities indicated that a potential release had occurred and further investigation was warranted.

On January 23, 1997, the United Cities Gas Company and the TDEC: Division of Remediation (DOR) signed a Consent Order and Agreement (Order) to manage the site under the state Voluntary Oversight and Assistance Program (VOAP). The United Cities Gas Company completed a Preliminary Site Investigation (PSI) in 1998. The scope of work for the PSI included collecting and analyzing soil, residual, surface water, sediment and groundwater samples.

A Phase II Remedial Investigation (RI) was conducted during the fall of 1999 and spring of 2000. Tasks completed at the site during 1999 included the installation/sampling of additional groundwater monitoring wells and soil borings. Benzene, ethylbenzene, toluene and xylene

(BTEx), polycyclic aromatic hydrocarbons (PAH) and specific metals were identified as constituents of potential concern (COPC) in the Phase II RI Report. Additional groundwater monitoring was conducted during February 2001 in preparation for Interim Action (IA) activities.

An Interim Action was conducted in June 2001. The purpose of the IA was the removal of coal tar mass and surrounding impacted soils to reduce contaminant source concentrations. Coal tar/impacted soil was excavated from the following areas: Aboveground Storage Tank Containment Structure, Underground Storage Tank Pit, Tar/Water Separator, Aboveground Gas Holder Foundation and the Tar Well. A total of 921.36 tons of coal tar/impacted soil was excavated from these areas and transported off-site for thermal treatment. Water was encountered at each excavation area primarily as perched water within the structures and was collected and transported off-site for disposal. All excavations were backfilled with clean gravel material immediately following the removal of residual material, confirmation sampling and application of Oxygen Release Compound<sup>®</sup> to enhance natural biological attenuation. Subsequently, a supplemental groundwater investigation and risk assessment was conducted to further the understanding of groundwater conditions in bedrock at the site and to evaluate potential risks to human health and the environment associated with residual impacts from historical operations. In late-2002, additional monitoring wells were installed/sampled on and near the site.

## 2.0 DOCUMENTS REVIEWED

- City of Johnson City. Ordinance No. 1007: *An Ordinance to Regulate the Operation of Water Wells in Johnson City*. October 1944.
- United Cities Gas Company. *Phase I Site Evaluation Report*. May 1997.
- United Cities Gas Company. *Preliminary Site Investigation Report*. March 1998.
- ARCADIS G&M, Incorporated. *Phase II Remedial Investigation Report*. September 2000.
- ARCADIS G&M, Incorporated. *Interim Action Support Activities Summary*. July 2001.
- United Cities Gas Company. *Interim Action Report*. September 2001.
- ARCADIS G&M, Incorporated. *Post-Interim-Action Groundwater Monitoring Report*. May 2002.
- U.S. Environmental Protection Agency. *Region 9 Preliminary Remediation Goals*. (<http://www.epa.gov/region09/waste/sfund/prg/index.html>). 2002.
- ARCADIS G&M, Incorporated. *Supplemental Groundwater Investigation and Risk Assessment Report*. August 2003.

- ARCADIS G&M, Incorporated. *Focused Feasibility Study*. February 2004.

### 3.0 PROBLEM DEFINITION AND PROBABLE IMPACT

A Remedial Investigation was conducted to evaluate the Constituents of Potential Concern in soil, surface water and groundwater. The COPCs were identified by comparing the maximum detected concentration of an individual constituent to Applicable and Appropriate Requirements (ARAR) such as the United States Environmental Protection Agency (EPA) Region 9 Preliminary Remediation Goals (PRG), the EPA Maximum Contaminant Levels (MCL) for drinking water and human health risk-based concentrations. The ARARs were also evaluated based on the likely routes of exposure for site-related contaminants (i.e. for either current-use or future-use residential or industrial exposure scenarios). Based on the data evaluation, Constituents of Concern (COC) were identified. COCs are the constituents to which potential receptors could be exposed at levels exceeding a risk-based standard.

The RI concluded that on-site surface soils, sub-surface soils, unconsolidated zone (above bedrock) groundwater and consolidated zone (bedrock) groundwater have been impacted. Also, off-site consolidated zone groundwater has been impacted to a distance of approximately 250 feet downgradient of the site. Constituents of Concern (COC) are listed in the tables below:

**Table 1: Constituents of Concern in On-site Surficial Soils**

Constituent of Concern	Maximum Detected Concentration (milligrams/kilogram)
Benzo(a)anthracene	<206
Benzo(b)fluoranthene	<206
Benzo(a)pyrene	<206
Dibenzo(a,h)anthracene	<206
Indeno(1,2,3-cd)pyrene	<206
Naphthalene	12,300
Arsenic	40.801

< - Less than the laboratory reporting limit

**Table 2: Constituents of Concern in On-site Unconsolidated and Consolidated Zone Groundwater**

Constituent of Concern	Maximum Detected Concentration (milligrams/kilogram)
Benzene	3.28
Benzo(a)anthracene	0.0048
Benzo(a)pyrene	0.0033
Naphthalene	11.2

**Table 3: Constituents of Concern in Off-site Unconsolidated Zone Groundwater**

<b>Constituent of Concern</b>	<b>Maximum Detected Concentration (milligrams/kilogram)</b>
Benzene	0.475

The exposure assessment combined information concerning site characteristics and site-related information to estimate the magnitude, frequency and duration of potential human exposure to site-related COCs. The exposure assessment considered current and future land-use. Currently, no complete exposure pathways exist for the site. The site is inactive, so no workers are on-site on a regular basis. Site visitors or trespassers would not come into contact with COCs in soil because remaining impacted areas are paved. For the same reason, off-site receptors would not be exposed to airborne particulates. At this time, no construction activities exist that would lead to exposure of excavation workers to soil or groundwater. The RI did not identify any water-supply wells at or near the site. The site is located within an area that is zoned for heavy industrial use and will likely remain so for the foreseeable future. Surrounding land use is currently a mixture of industrial, parking lots, coal storage and a vacant lot. Land use at and near the site is expected to remain industrial/commercial in the future. Thus, the use of the site for residential purposes was not considered a complete current or future exposure scenario. Analytical samples indicate that no COCs are present in Brush Creek.

Results of the risk assessment indicate that there are no current exposure pathways for the Site, and no future risk from groundwater discharging into Brush Creek. Analysis of the sample data and site conditions identified three possible human receptors (industrial workers, excavation workers and trespassers). Potential future risks/hazards include the following:

- Incidental ingestion and/or dermal contact with on-site bedrock-zone groundwater;
- Incidental ingestion and/or dermal contact with on-site surface soil;
- Inhalation of vapors migrating from on-site subsurface soil to indoor air; and
- Incidental ingestion and/or dermal contact with off-site bedrock-zone groundwater.

#### **4.0 CRITERIA FOR EVALUATION OF ALTERNATIVES**

4.1 The Tennessee Division of Remediation Rules contains nine criteria to be considered in evaluating remedial alternatives. These criteria are set forth in Chapter 1200-1-13-.09 of the Tennessee Rules, and are similar to, but not identical with, those in Title 40 of the Code of Federal Regulations Part 300.430 (2)(e)(9)(iii). These criteria are:

- Overall Protection of human health and the environment
- Attainment of the remediation goals and compliance with applicable state and federal laws
- Short-term effectiveness

- Long-term effectiveness
- Permanent reduction of toxicity, mobility and volume through treatment
- Implementability
- Cost
- Community acceptance
- The degree to which recycling, residue and waste minimization are employed

## 5.0 EVALUATION OF THE PROPOSED ALTERNATIVES

5.1 The following are remedial alternatives identified by the FFS:

- Alternative 1: No Action
- Alternative 2: Land Use Restrictions, Capping and Monitored Natural Attenuation
- Alternative 3: Land Use Restrictions, Capping, Enhanced Aerobic Bioremediation and Monitored Natural Attenuation
- Alternative 4: Land Use Restrictions, Capping, Pump-and-Treat with Vacuum Enhanced Recovery and Monitored Natural Attenuation

5.2 To select the most appropriate alternative for the United Cities Gas-Johnson City site, the remedial alternatives were evaluated in accordance with the nine criteria listed in Section 4.1

### 5.2.1 Alternative 1: No Action

“No Action” is defined as the absence of active steps to remediate the affected soil or groundwater and/or stabilize the Site. The No Action alternative is used to evaluate the potential impacts associated with not implementing any remedial action. No costs would be accrued for implementing the No Action alternative. This alternative would not support and comply with ARARs associated with human health and the environment since there are PRG exceedances and potential exposure pathways in the future. Therefore, the No Action alternative was not retained for further evaluation.

### 5.2.2 Alternative 2: Land Use Restrictions, Capping and Monitored Natural Attenuation

Land-use restrictions would be used to restrict site users, trespassers and future land-use on and off site. Capping the site with a clay/geosynthetic textile cap would eliminate the dermal contact pathway with soils and prevent vapor migration. Monitored Natural Attenuation (MNA) would be used to detect COC concentrations and/or migration at points of compliance and provide information on natural attenuation processes and remediation progress. The natural attenuation processes at work in such a remediation approach would include a variety of physical, chemical or biological processes that, under favorable conditions, act without human intervention to reduce the mass, toxicity, mobility, volume or concentrations of COCs in soil or groundwater. The cost for implementing this alternative would be \$1,541,900.

The Land Use Restrictions, Capping and Monitored Natural Attenuation alternative substantially meets the criteria listed in Section 4.1 and was evaluated during the analysis of the alternatives.

### 5.2.3 Alternative 3: Land Use Restrictions, Capping, Enhanced Aerobic Bioremediation and Monitored Natural Attenuation

In this alternative, land-use restrictions, capping, in-situ aerobic bioremediation and MNA were assembled to reduce source area concentrations and provide long-term effectiveness. Remedial time would be reduced due to mass destruction and enhancement of natural attenuation from aerobic treatment by injecting dilute hydrogen peroxide into the contaminated aquifer. The cost for implementing this alternative would be \$1,945,300.

The Land Use Restrictions, Capping, Enhanced Aerobic Bioremediation and Monitored Natural Attenuation alternative substantially meets the criteria listed in Section 4.1 and was evaluated during the analysis of the alternatives.

### 5.2.4 Alternative 4: Land Use Restrictions, Capping, Pump-and-Treat with Vacuum Enhanced Recovery and Monitored Natural Attenuation

Land-use restrictions, capping, MNA, and pump-and-treat were assembled to address principal threats and reduce long-term O&M. The ex-situ approach would be used to remove COC mass in the source areas and as containment to prevent off-site migration. The cost for implementing this alternative would be \$3,076,100.

The Land Use Restrictions, Capping, Pump-and-Treat with Vacuum Enhanced Recovery and Monitored Natural Attenuation alternative substantially meets the criteria listed in Section 4.1 and was evaluated during the analysis of the alternatives.

## 6.0 SELECTED ALTERNATIVE

In accordance with the threshold criteria established by the Tennessee Division of Remediation rules, the selected remedial alternative for the United Cities Gas Company site is Alternative 2: Land Use Restrictions, Capping and Monitored Natural Attenuation.

Land-use restrictions will limit potential exposure to hazardous substances by limiting human activities at or near facilities where hazardous substances would remain. The Notice of Land Use Restrictions will be recorded on the property deed and filed in the county land records. The Tennessee Department of Environment and Conservation must be notified before invasive activities such as soil borings or building construction are conducted. The Notice of Land Use Restrictions will restrict the use of the property so that no portion can be used as a residence, domicile, daycare, school or church with an outdoor playground until the property owner satisfies the TDEC that the invasive activity will not pose a danger to public health, safety or the environment. Documentation that the above assurances have been recorded with the Washington County Register of Deeds shall be provided to the TDEC within sixty (60) days following receipt of the signed Record of Decision. A map of the site is provided in Appendix A. The Notice of Land Use Restrictions for the site is listed in Appendix B.

Capping the site with a clay/geosynthetic textile cap will eliminate contact with soils and prevent vapor migration. Due to irregularities from building footings, a 1-foot leveling layer of



compacted clay is necessary to provide a base for a geosynthetic material to the 1.8-acre site. Then, a geosynthetic material would be added to prevent vapor migration, and a 2-foot layer of compacted clay would keep the material in place. Topsoil would be filled to a 0.5-foot thickness to support vegetation and ensure adequate drainage. The addition of a vapor barrier and clay cap, and subsequent elevated grade, is consistent with likely future commercial land use.

A monitoring program would be established for groundwater to determine the status of natural attenuation and to detect any potential impacted area movement. The current monitoring well network will provide substantial coverage for determination of natural attenuation parameters, but may require construction modification during capping activities. Groundwater sampling and analysis will use previous groundwater sampling events to establish a baseline for future comparison. Thereafter, monitoring wells in the program will be sampled annually. Based on the monitoring results, the sampling locations and frequency will be adjusted as appropriate.

For consistency with the USEPA Comprehensive Five-Year Guidance, Five-Year Reviews will be conducted every five years to determine if the remedy is functioning as intended and if site conditions have changed to the point that remedial action is no longer necessary.

## **7.0 RATIONALE FOR THE SELECTED ALTERNATIVE**

Alternative 2 will provide a high degree of overall protectiveness to human health and the environment. Also, Alternative 2 will comply with ARARs because natural attenuation would reduce COC concentrations below PRGs at points of exposure and the land-use restrictions, cap and MNA would eliminate risk posed by potential future exposure pathways. Alternative 2 will provide long-term effectiveness and permanence by reducing COC concentrations by the natural attenuation processes.

The equipment and controls needed for Alternative 2 are deemed reliable, easily operated, used commonly in other remedial activities, and require minimal Operation and Maintenance cost. The implementation time for Alternative 2 is estimated to be less than two years. The time required to achieve Remedial Action Objectives is estimated to be 30 years based on the concentrations of COCs, area of impact and geologic complexities at the site. Alternative 2 is easily implementable. The selected alternative will provide a high level of effectiveness in achieving remedial objectives at the site.

## **8.0 COMMUNITY RELATIONS**

It is the intent of both the Federal and State Superfund programs to seek out and utilize public comments regarding a Superfund site. To this end, in March 2005 the findings of the FFS were published in the local newspaper as a Public Notice, and the public was offered the chance to comment/request a public meeting. No comments were received during the thirty-day comment period that followed.

## 9.0 DECLARATION

Consistent with Part 2 of the Hazardous Waste Management Act as amended, (The State Superfund Law), I have determined that the selected remedy, as stated above, is cost effective and provides adequate protection of public health, safety and the environment.



James W. Haynes, P.E  
Director Division of Remediation  
Tennessee Department of  
Environment and Conservation

11/30/2005  
Date

This instrument prepared by:  
Stuart Shulz  
Atmos Energy Corporation  
810 Crescent Centre Dr., Suite 600  
Franklin, TN 37067

## NOTICE OF LAND USE RESTRICTIONS

Notice is hereby given that pursuant to T.C.A. Section 68-212-225 of the *Hazardous Waste Management Act of 1983*, the Commissioner of the Tennessee Department of Environment and Conservation ("TDEC") has determined that land use restrictions are an appropriate remedial action at the below-described property. Pursuant to T.C.A. Section 68-212-225(d) the register of deeds shall record this Notice and index it in the grantor index under the names of the owners of the land.

### Witnesseth:

WHEREAS, the Grantor is the owner of the real property described in a Deed of record with the Washington County Register of Deeds as Note Book No. 9, Page 220; Deed Book 228, Page 538 and Note Book No. 28, Page 109; Deed Book 460, Page 238 herein after referred to as the "Property," and,

WHEREAS, the Property has been remediated, to the extent practicable, consistent with the National Contingency Plan and to levels protective of human health and the environment in a commercial/industrial area; and,

WHEREAS, the Grantor has agreed to impose certain land use restrictions on the Property as set forth hereinafter and has agreed to preserve and maintain these restrictions.

NOW, THEREFORE, in consideration of the foregoing, the Grantor hereby declares that the Property should be held, sold, and conveyed subject to the following land use restrictions. Said land use restrictions shall run with the land and shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof and to TDEC and the respective successors and assigns of such parties:

### Location of Contamination

Benzene, naphthalene, arsenic and manganese migrating from the United Cities Gas Company (now Atmos Energy Corporation) property located at the northwest corner of the intersection of Tennessee Street and State of Franklin Road has affected the groundwater that underlies the Property owned by the Grantor. The United Cities Gas Company property is described as: beginning at the intersection of the southwesterly right-of-way line of Tennessee Street with the southwesterly right-of-way line of the

Norfolk-Southern Railway, and running thence in a southeasterly direction along said Tennessee Street right-of-way S 18°10'06" W a distance of 61.22 feet, S 11°11'53" E a distance of 78.38 feet and S 17°24'44" W a distance of 59.3 feet to the intersection with a point in the northern right-of-way line of State of Franklin Road (S.R. 381); thence with said State of Franklin Road right-of-way line the following two (2) calls; S 55°55'06" W a distance of 142.02 feet and S 61°30'06" W a distance of 140.09 feet to the corner with State of Tennessee (ETSU coal storage yard); thence along line with State of Tennessee N 28°19'49" W a distance of 229.99 feet to a point on the Norfolk-Southern southern right-of-way line; thence with said right-of-way line with a curve to the right having a length of 384.79 feet, a radius of 5,699.58 feet, and a delta angle of 03°52'05" to the point of beginning, containing 1.8756 acres, more or less according to United Cities Gas Company Tennessee Street property map, which reflects property sold to City for Tennessee Street street improvements.

The maximum concentrations of benzene, naphthalene, arsenic and manganese detected in the groundwater underneath the Property of the Grantor are 0.475 milligrams/liter, 1.25 milligrams/liter, 0.007 milligrams/liter and 1.55 milligrams/liter, respectfully. The detected concentration of benzene exceeds the Maximum Contaminant Level currently allowed for a potable water supply as established by the United States Environmental Protection Agency. The detected contaminant concentrations also collectively provide for an elevated non-carcinogenic risk to an industrial worker that is directly exposed to groundwater over an extended period of time, based on current risk assessment methods approved by the United States Environmental Protection Agency.

#### **Land Use Restrictions:**

Prior to any part of the Property being used for a residence, domicile, daycare, school, or church with an outdoor playground, the Grantor, its successors, and/or assigns must notify TDEC and must demonstrate to the satisfaction of TDEC that any such proposed use listed above will not pose a danger to public health, safety, or the environment.

The Grantor, its successors, and/or assigns must notify TDEC prior to any invasive activity on the Property including soil borings, groundwater wells or other excavation activities. The Grantor, its successors, and/or assigns must demonstrate to the satisfaction of TDEC, through sampling and analysis or by other means approved by TDEC, that any invasive activity will not pose a danger to public health, safety, or the environment. Any approval granted by TDEC for the restricted uses shall be in writing, must contain a reference to this instrument, and shall be filed with the Washington County Register of Deeds.

#### **Enforcement**

Any owner of the land or any unit of local government having jurisdiction over any part of the subject property may enforce this Notice of Land Use Restrictions by means of a civil action. The Commissioner of TDEC may enforce this Notice of Land

Use Restrictions through the issuance of an Administrative Order or by means of a civil action, including one to obtain an injunction against present or threatened violations of the restriction. Pursuant to T.C.A. Section 68-212-213, any person who fails, neglects or refuses to comply with a land use restriction commits a Class B misdemeanor and is subject to the assessment of a civil penalty of up to ten thousand dollars (\$10,000) per day.

#### **Term**

This Notice of Land Use Restrictions shall run with and bind the Property unless/until this Declaration shall be made less stringent or canceled as set forth under the paragraph entitled "Amendment and Termination."

#### **Amendment and Termination**

This Notice of Land Use Restrictions may be made less stringent or canceled by the Commissioner of TDEC if the risk has been eliminated or reduced so that less restrictive land use controls are protective of human health and the environment. No amendment to or termination of this Notice of Land Use Restrictions shall be effective until such amendment or instrument terminating this Notice of Land Use Restrictions is recorded by the Washington County Register of Deeds.

#### **Severability**

Invalidation of any of these covenants or restrictions by judgement or court order shall in no way affect any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this instrument this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

GRANTOR:  
**ATMOS ENERGY CORPORATION**

By: \_\_\_\_\_  
Louis P. Gregory  
Sr. Vice President & General Counsel

Before me, the undersigned Notary Public in and for the State aforesaid, personally appeared \_\_\_\_\_ and by their signature executed the foregoing instrument for the purpose therein contained.

WITNESS, this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Notary Public

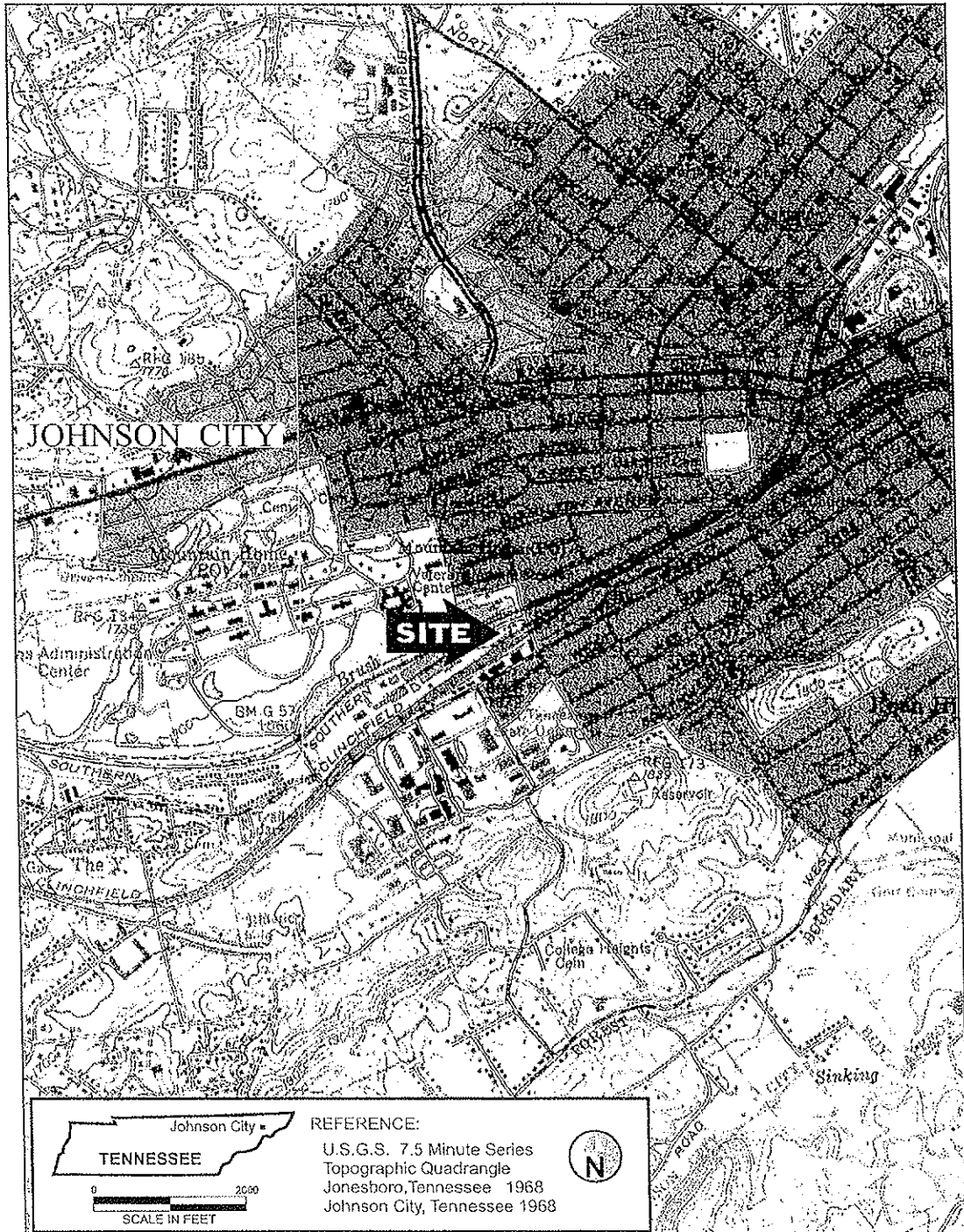
\_\_\_\_\_  
Commission Expiration

ARCADIS

0 100 FT

Figure 1-1  
Regional Location Map

Atmos Energy Corporation  
Tennessee Street FMGP, Johnson City, Tennessee



TN000507.0007 / FFS

E39260.CDR / 13AUG2003 Ba

This instrument prepared by:

Douglas Walther, Esq.  
Atmos Energy Corporation  
1800 Three Lincoln Centre  
5430 LBJ Freeway  
Dallas, Texas 75240

### NOTICE OF LAND USE RESTRICTIONS

Notice is hereby given that pursuant to T.C.A. Section 68-212-225 of the *Hazardous Waste Management Act of 1983*, the Commissioner of the Tennessee Department of Environment and Conservation ("TDEC") has determined that land use restrictions are an appropriate remedial action at the below-described property. Pursuant to T.C.A. Section 68-212-225(d) the register of deeds shall record this Notice and index it in the grantor index under the names of the owners of the land.

Witnesseth:

WHEREAS, the Grantor is the owner of the real property described in a Deed of record with the Washington County Register of Deeds as Note Book No. 9, Page 220; Deed Book 228, Page 538 and Note Book No. 28, Page 109; Deed Book 460, Page 238 herein after referred to as the "Property," and,

WHEREAS, the Property has been remediated, to the extent practicable, consistent with the National Contingency Plan and to levels protective of human health and the environment in a commercial/industrial area; and,

WHEREAS, the Grantor has agreed to impose certain land use restrictions on the Property as set forth hereinafter and has agreed to preserve and maintain these restrictions.

NOW, THEREFORE, in consideration of the foregoing, the Grantor hereby declares that the Property should be held, sold, and conveyed subject to the following land use restrictions. Said land use restrictions shall run with the land and shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof and to TDEC and the respective successors and assigns of such parties:

STATE OF TENNESSEE, WASHINGTON COUNTY

I, Ginger B. Jiton, Register of Deeds do hereby certify that the foregoing is a true exact copy of a Notice of Land Use Restrictions from Atmos Energy Corp. to Washington County, TN as same appears of record in official records, Film Roll 486, Image 277.  
Witness my hand and official seal at office in Jonesborough, Tennessee,  
This 6 day of January, 20 09  
Ginger B. Jiton, Register of Deeds  
Deputy Register Christina Mayberry



# **Enforcement**

Any owner of the land or any unit of local government having jurisdiction over any part of the subject property may enforce this Notice of Land Use Restrictions by means of a civil action. The Commissioner of TDEC may enforce this Notice of Land Use Restrictions through the issuance of an Administrative Order or by means of a civil action, including one to obtain an injunction against present or threatened violations of the restriction. Pursuant to T.C.A. Section 68-212-213, any person who fails, neglects or refuses to comply with a land use restriction commits a Class B misdemeanor and is subject to the assessment of a civil penalty of up to ten thousand dollars (\$10,000) per day.

# **Term**

This Notice of Land Use Restrictions shall run with and bind the Property unless/until this Declaration shall be made less stringent or canceled as set forth under the paragraph entitled "Amendment and Termination."

# **Amendment and Termination**

This Notice of Land Use Restrictions may be made less stringent or canceled by the Commissioner of TDEC if the risk has been eliminated or reduced so that less restrictive land use controls are protective of human health and the environment. No amendment to or termination of this Notice of Land Use Restrictions shall be effective until such amendment or instrument terminating this Notice of Land Use Restrictions is recorded by the Washington County Register of Deeds.

# **Severability**

Invalidation of any of these covenants or restrictions by judgement or court order shall in no way affect any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 25<sup>th</sup> day of January 2006.

GRANTOR:

ATMOS ENERGY CORPORATION

By: Louis P. Gregory  
Louis P. Gregory  
Sr. Vice President & General Counsel



STATE OF TEXAS       )  
                              ) ss  
COUNTY OF DALLAS    )

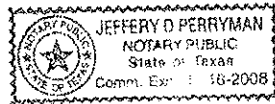
ROLL 486   IMAGE 2076

Before me, the undersigned Notary Public in and for the State aforesaid, personally appeared Louis P. Gregory and by his signature executed the foregoing instrument for the purpose therein contained.

WITNESS, this 25<sup>th</sup> day of February, 2006.

Jeffery D. Perryman  
Notary Public

Commission Expiration \_\_\_\_\_



ROLL 486 IMAGE 707

State of Tennessee: Board of 2000  
received for record the 7th of  
RECORD: Book of 1000 1st, 2nd, 3rd  
according to official records:  
File 100 100 100 2000-1000  
more for 1 100 100 100 100  
Records 1 100 100 100 100  
Records of 2000 100 100 100  
more: 100 100 100 100

## Attachment B



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
**DIVISION OF SUPERFUND**  
4th Floor, L&C Annex  
401 Church Street  
Nashville, TN 37243-1538

April 13, 2004

Mr. Stuart Schulz, PG, CHMM  
Environmental Specialist  
Atmos Energy  
810 Crescent Centre Drive  
Suite 600  
Franklin, TN 37067-6226

Subject: Consent Order and Agreement - VOAP  
Bristol Former Manufactured Gas Plant  
Superfund Site ID 82-540

Dear Mr. Schulz:

The Division officially recognizes the entry of the Bristol Former Manufactured Gas Plant into the Voluntary Cleanup Oversight and Assistance Program (VOAP). Enclosed is a copy of the original signed order.

Should you have any questions regarding this letter or the signed order, please contact me at 615-532-0912. Thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Andy Shivas".

Andy Shivas  
Program Manager  
Voluntary Cleanup Oversight and Assistance Program

cc: VOAP File  
Central Office File  
Johnson City EAC File  
Cost Recovery Section  
Financial Files

**STATE OF TENNESSEE**

**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

**DIVISION OF SUPERFUND**

**VOLUNTARY AGREEMENT**

**RE: Bristol Former Manufactured Gas Plant  
816 Shelby Street  
Bristol, Tennessee**

**SITE NUMBER: 82-540**

**INTRODUCTION**

This Voluntary Agreement (hereinafter "AGREEMENT") is made and entered into by and between the Tennessee Department of Environment and Conservation (hereinafter "Department"), and Atmos Energy Corporation, a Texas and Virginia corporation (hereinafter "Voluntary Party") for the purpose of addressing the above-referenced site (hereinafter "Site"), which has the real or perceived threat of the presence on the Site of hazardous substances, solid waste, or any other pollutant.

Betsy L. Child is the duly appointed Commissioner of the Department. James W. Haynes has been delegated the authority to enter into Voluntary Agreements.

Pursuant to Tennessee Code Annotated § 68-212-224, the Commissioner is authorized to enter into a Voluntary Agreement with a party who is willing and able to conduct an investigation and remediation of a hazardous substance site or Brownfields Project and who did not generate, transport or release the contamination that is to be addressed at the Site.

**REQUIREMENTS**

**A. SITE LOCATION**

The Site covers approximately 1.69 acres and it is located at 816 Shelby Street, Bristol, Tennessee. The legal description of the Site is:

Beginning at a railroad spike in western boundary line, said line being the eastern boundary of the Bristol Tennessee Electric substation property and "spike" marking the southeast corner of Bristol Tennessee Electric; thence along the boundary fence of substation and former Crumley Alley two calls: N 88°17'00" W 81.51 feet and N 88°17'00" W 129.90 feet to the center of Little Creek, thence with the center of Little Creek S 31°27'00" E 251.80 feet to an iron pin; thence S 89°11'00" E a distance of 179.50 feet to a point on the west side of Beaver Creek; thence along Beaver Creek two calls: N 04°56'00" E 207.80 feet and N 02°51'00" E 171.50 feet to a point in the southerly right-of-way line of Shelby Street, thence two calls west along Shelby

Street N 87°09'00" W 112.00 feet and N 87°09'00" W 9.5 feet to the boundary line with Bristol Tennessee Electric; thence along boundary for three calls: S 19°01'00" E 10.74 feet, S 02°51'00" W 96.30 feet and S 02°51'00" W 67.06 feet to the point of beginning, and containing 1.69 acres more or less.

#### B. ELIGIBILITY

As required by T.C.A. § 68-212-224, a summary description of all known existing environmental investigations, studies, reports or documents concerning the Site's environmental condition has been submitted to the Department by the Voluntary Party. The Voluntary Party has submitted to the Department the environmental investigations, studies, reports or documents listed on Attachment A hereto (such documents, hereinafter the "Reports"). The Reports describe the environmental condition of the Site. On the date of entering into this AGREEMENT, the Department has determined that the Site is not listed or been proposed for listing on the federal National Priorities List by the United States Environmental Protection Agency ("EPA"). By entering into this AGREEMENT, the Voluntary Party certifies to the best of the Voluntary Party's knowledge that the Voluntary Party did not generate, transport or release contamination that is to be addressed at this site.

#### C. FINANCIAL REQUIREMENTS

The Voluntary Party agrees to pay all Oversight Costs associated with the Department's oversight of and assistance in the implementation of this AGREEMENT. Assistance includes, but is not limited to, the Commissioner's exercise of his authority under T.C.A. § 68-212-206(a). Oversight Costs shall include any out-of-pocket expense, mileage, lab expense, the current hourly rate and pro rata portion benefits for the Department's employees actively employed in oversight of work under this AGREEMENT, including preparation for and attendance at meetings, the current State overhead rate, and costs billed by State contractor(s) who are actively performing oversight. The State overhead rate is 15.00% of the total oversight costs. The Department shall provide the Voluntary Party with quarterly statements reflecting oversight costs posted during the previous quarter.

Tennessee Code Annotated § 68-212-224 requires consideration of a fee to enroll in the Voluntary Cleanup Oversight and Assistance Program. Since the Voluntary Party did not generate, transport or release contamination that is to be addressed at the site and will be serving the public welfare by redeveloping a property that is abandoned or underutilized, the participation fee is hereby waived.

#### D. IDENTIFICATION AND DOCUMENTATION OF CLEANUP

Based on the information submitted to the Department by or behalf of the Voluntary Party, including the Reports, and the Department's own review and investigation of the Site, the Parties hereto agree that the Voluntary Party shall perform the following cleanup actions and submit the following documentation:

1. Within eighteen (18) months of the date of this AGREEMENT, the Voluntary Party shall remove and properly dispose of the source material located on the Site in the area indicated as "Source Material" on the drawing attached as Attachment

B and shall return the Site to current use conditions as an asphalt parking lot. The Voluntary Party shall give the Department at least twenty-one (21) days prior written notice of the commencement of on-site removal action work.

2. Within six (6) months of the completion of the removal, the Voluntary Party shall prepare and submit to the Department a Removal Action Report describing the process of the removal of the source material, reporting on visual observations confirming that all reasonably accessible source material has been removed, and attaching waste manifests or other documents in connection with the disposal of the source material.
3. Within six (6) months of the date of this AGREEMENT, and subject to the consent of the lessee for the Site, the Voluntary Party shall record the land use restrictions and institutional controls described in Section G.

#### E. AGREED LIABILITY RELIEF

Real or perceived hazardous substances, solid wastes or other pollutants are determined to be present on this site to an extent that may or may not have yet been fully characterized. As the current owner or operator, or upon becoming an owner or operator of the Site, the Voluntary Party may occupy the status of a "liable party" pursuant to the definition of that term contained in T.C.A. § 68-212-202(4). Liability may be apportioned pursuant to factors in T.C.A. § 68-212-207 as well as other equitable factors. The Commissioner is authorized to determine an apportionment of liability within this Agreement as authorized by T.C.A. § 68-212-224.

The Commissioner agrees that the Voluntary Party's implementation of the actions agreed upon in Section H(2) will constitute satisfaction of the apportioned liability of the Voluntary Party under all environmental statutes administered by the Department for the contamination identified in the Reports. The Voluntary Party, however, remains potentially responsible for any release of hazardous substances or other pollutants that occurs at the Site while it owns or operates the Site.

Following the completion of cleanup activities required under this Agreement and contingent upon the continued adherence and enforcement of any land use restrictions imposed pursuant to or as a result of this AGREEMENT, the Voluntary Party shall bear no further liability under any statute administered by the Department, for investigation, remediation, monitoring and/or maintenance of contamination identified and addressed in this Agreement; provided, however, that nothing in this AGREEMENT shall limit the liability of the Voluntary Party for contamination occurring after the date of the AGREEMENT. This liability protection is extended to successors in interest or in title to, contractors conducting response actions at the Site, developers, future owners, tenants, and lenders, fiduciaries or insurers, conditioned upon performance of the obligations contained in this Agreement and compliance with any land use restrictions required thereby; provided, that such liability protection to other persons does not apply to liability to the extent that such liability that arose prior to this AGREEMENT.

#### F. THIRD PARTY LIABILITY RELIEF

The Voluntary Party shall not be liable to third parties for contribution regarding matters addressed in this AGREEMENT; provided that, the Voluntary Party gave the third party actual or constructive notice of this AGREEMENT, and the third party was given an actual or constructive opportunity to comment upon this AGREEMENT. The Voluntary Party has demonstrated to the Department that constructive notice was accomplished by publishing a summary of this AGREEMENT in the Bristol Herald Courier, Bristol, Tennessee at least thirty (30) days prior to the effective date of this AGREEMENT. Nothing in this Agreement shall impair the rights of third parties with respect to tort liability claims for damage to person or property arising from the contamination addressed by the voluntary agreement.

#### G. LAND USE RESTRICTIONS

Within six (6) months of the date of this AGREEMENT, and subject to the consent of the Site lessee, the Voluntary Party agrees that said property shall be restricted as follows:

1. The use of the Site shall be restricted to commercial or industrial use except that use as a child care center shall be prohibited, and Residential use shall also be prohibited.
2. Installation of groundwater wells for the purpose of supplying irrigation, industrial process, or drinking water shall be prohibited.

The Voluntary Party agrees that it will file land use restrictions identified by the Department as necessary for the safe use of the Site in accordance with T.C.A. 68-212-225, provided that such land use restrictions shall allow the Site to continue to be used as an asphalt parking lot.

#### H. AGREED ACTIONS TO BE TAKEN

1. The Voluntary Party agrees to send notification of this AGREEMENT by certified mail to all local governments having jurisdiction over any part of the subject property and to all owners of adjoining properties. The Voluntary Party shall provide adequate documentation to demonstrate that public notice has been accomplished.
2. The Voluntary Party agrees to perform the cleanup and documentation work described in Section D.
3. The Voluntary Party agrees to prepare and submit to the Department for review a Health & Safety Plan for the Site to establish suitable procedures for subsurface utility maintenance. Upon receipt of such Plan by the Department, such Plan shall be delivered by the Voluntary Party to the Site lessee and each utility company whose service area includes the Site.
4. Upon completion of the work, the Voluntary party agrees to submit "as built" drawings to the Department of the work described in Section D that is subject to this AGREEMENT.



5. Upon completion of all tasks set forth in this AGREEMENT, the Department shall issue to the Voluntary Party a letter stating the requirements of this AGREEMENT have been fulfilled and no further action of the Voluntary Party for contamination identified and addressed in this AGREEMENT is required. Upon the request of the Voluntary Party from time to time, the Department shall issue an interim status letter identifying what specific obligations remain to achieve completion of the work under this AGREEMENT. Issuance of a no further action letter shall not relieve the Voluntary Party of any responsibilities for operation and maintenance activities or continued adherence to and enforcement of land use restrictions, if any, pursuant to T.C.A. § 68-212-225. The Department reserves the right to require additional action for contamination caused by the Voluntary Party occurring after the date of this AGREEMENT or for contamination not identified and addressed under this AGREEMENT, if any.

#### I. ADDITIONAL REQUIREMENTS

1. The Voluntary Party may request a time extension for any deadline included in this AGREEMENT prior to the deadline. The time extension may be granted through mutual consent for good cause shown.
2. The Voluntary Party agrees not to disturb, move or remove any areas of hazardous substances, solid waste or other pollutant(s) that are subject to liability protection under this AGREEMENT without written approval by the Department unless the activities are being conducted under the terms and conditions of this AGREEMENT, pursuant to the Health & Safety Plan described in Section H(3), or necessitated by the normal day-to-day activities of any on-going business.

#### J. SITE ACCESS

During the effective period of this AGREEMENT, and until certification by the Department of completion of all activities under this AGREEMENT, the Department and its representatives or designees shall have access during normal business hours to the Site. Nothing herein shall limit or otherwise affect the Department's right of entry, pursuant to any applicable statute, regulation or permit. The Department and its representative shall comply with all reasonable health and safety plans published by the Voluntary Party or its contractor and used by Site personnel for the purpose of protecting life and property.

#### K. SUBMISSION OF INFORMATION, REPORTS, OR STUDIES

The Voluntary Party certifies under penalty of law, including but not limited to penalties for perjury, that the information contained in all submissions is true, accurate and complete to the best of their knowledge, information and belief. The Voluntary Party is aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violation.

L. RESERVATION OF RIGHTS

1. This AGREEMENT shall not be construed as waiving any right or authority available to the Commissioner to assess responsible parties other than the Voluntary Party for liability for civil penalties or damages incurred by the State, including any natural resource damage claims which the Department or the State of Tennessee may have under Section 107 of CERCLA or any other statute, rule, regulation or common law.
2. Nothing in this AGREEMENT shall be interpreted as limiting the Voluntary Party's right to preserve the confidentiality of attorney work product or client-attorney communication. T.C.A. § 68-212-202 et seq. contains no provisions for confidentiality or proprietary information. Therefore, records, reports, test results, or other information submitted to the Department under this AGREEMENT shall be subject to public review. Any and all records, reports, test results or other information relating to a hazardous substance site or the possible hazardous substance at the Site submitted under this AGREEMENT may be used by the Department for all purposes set forth in T.C.A. § 68-212-201 et seq.
3. The Voluntary Party may terminate this AGREEMENT at any time upon written notice to the Department. Upon such termination, the Voluntary Party shall have no further obligations hereunder other than payment of oversight costs accrued to the date of notice of termination; provided, that both Parties shall have and retain all authority, rights and defenses as if this AGREEMENT had never existed.

The individual signing below on behalf of the Voluntary Party represents that he is a duly authorized agent, capable of entering into a binding AGREEMENT on behalf of the Voluntary Party. By entering into this AGREEMENT, this individual certifies to the best of his information and belief that the Voluntary Party did not or did not cause to generate, transport or release contamination that is to be addressed at this site.

[the remainder of this page intentionally left blank]

AGREED to by the parties as of the day and year first above written.

<u>April 13, 2004</u>	<u>James W. Haynes</u>	<u>April 5, 2004</u>	<u>Thomas R. Blose, Jr.</u>
Date	James W. Haynes, P.E.	Date	Thomas R. Blose, Jr.
	Director		President
	Division of Superfund		Mid-States Division
			Atmos Energy Corporation

## **ATTACHMENT A**

### **List of Environmental Investigations, Studies, Reports or Documents Submitted to the Department**

Note: this list does not list all of the documents pertaining to environmental activities at the Site.

Black & Veatch. 1995. Historical Review, Bristol MGP Site, Bristol, Tennessee. June 1995.

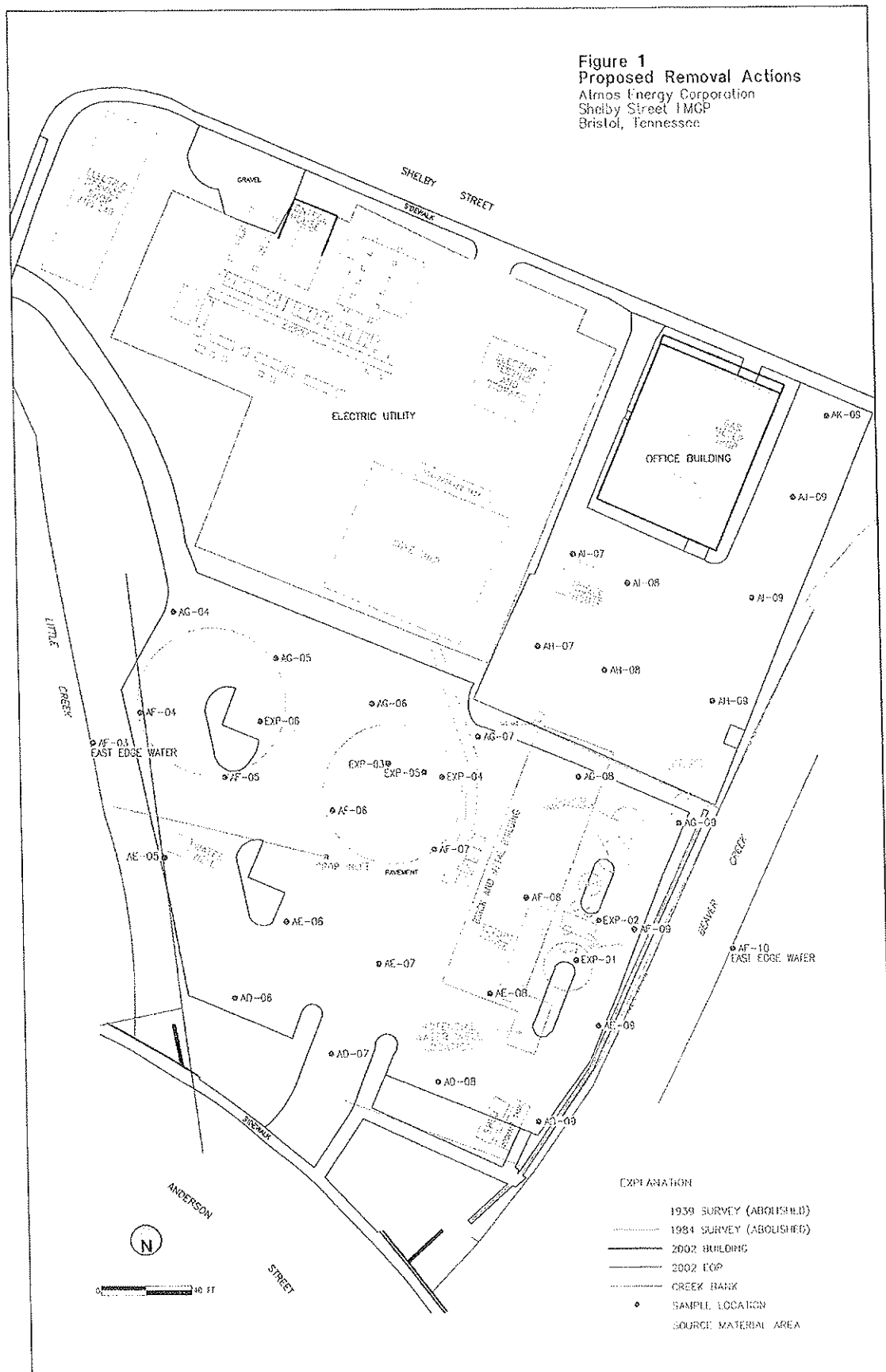
Environmental Pollution Services. 1996. Environmental Assessment Report, United Cities Gas Company, Facility I.D. # 1-820361. March 1996.

GEI Consultants. 2002. Preliminary Site Investigation Report, Former Manufactured Gas Plant, Bristol, Tennessee. June 2002.

**ATTACHMENT B**

**Diagram of Location of Source Material to be Removed**

**Figure 1**  
**Proposed Removal Actions**  
 Almos Energy Corporation  
 Shelby Street IMGP  
 Bristol, Tennessee





STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
Division of Remediation  
401 Church Street  
4th Floor, L&C Annex  
Nashville, TN 37243-1538

February 27, 2006

Mr. Stuart Schulz, RPG, CHMM  
Atmos Energy Company  
810 Crestmoor Centre Drive, Suite 600  
Franklin, TN 37067-6226

RE: Completion letter for Bristol Former Manufactured Gas Plant -- Site Number 82-540

Dear Mr. Schulz:

This letter certifies completion of the tasks set forth in the Brownfield Voluntary Agreement entered into between the Tennessee Department of Environment and Conservation and Atmos Energy Corporation to remediate impacted soils at the Bristol Former Manufactured Gas Plant property in Bristol, TN. The Department shall require no further action under this Agreement.

I appreciate you proactively addressing these issues. If I can be of further assistance, please contact me at 615-532-0227.

Sincerely,

A handwritten signature in black ink that reads "James W. Haynes". The signature is written in a cursive style with a large, stylized "J" and "H".

James W. Haynes, P.E.  
Director  
Division of Remediation

cc: Johnson City EFO  
VOAP Files  
NCO Files

Prepared By:  
Stuart Schulz  
Atmos Energy  
810 Crescent Centre Dr., Suite 600  
Franklin, TN 37067

BOOK 00639 PAGE 0135

## NOTICE OF LAND USE RESTRICTIONS

Notice is hereby given that pursuant to T.C.A. Section 68-212-225 of the *Hazardous Waste Management Act of 1983*, the Commissioner of the Tennessee Department of Environment and Conservation ("TDEC") has determined that land use restrictions are an appropriate remedial action at the below-described property. Pursuant to T.C.A. Section 68-212-225(d) the register of deeds shall record this Notice and index it in the grantor index under the names of the owners of the land.

### Witnesseth:

WHEREAS, the Grantor is the owner of the rea' property located at 816 Shelby Street, Bristol, Sullivan County, Tennessee, which is more fully described in the legal description attached hereto as Exhibit A, herein after referred to as the "Property," and,

WHEREAS, the Property has been remediated, to the extent practicable, consistent with the National Contingency Plan and to levels protective of human health and the environment; and,

WHEREAS, the Grantor has agreed to impose certain land use restrictions on the Property as set forth hereinafter and has agreed to preserve and maintain these restrictions.

NOW, THEREFORE, in consideration of the foregoing, the Grantor hereby declares that the Property should be held, sold, and conveyed subject to the following land use restrictions. Said land use restrictions shall run with the land and shall be binding on all parties having any right, title, or interest in the Property or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof and to TDEC and the respective successors and assigns of such parties:

### Location of Contamination

The contamination is located primarily on the southern half of the Property and extends approximately from 1.5 feet below the ground surface to approximately 15 feet below the ground surface.

### Description of Contamination

Groundwater and soils on the Property contain concentrations of coal tar, benzene, polycyclic aromatic hydrocarbons (PAHs), and metals, in excess of those safe for residential use. Approximately 831 cubic yards of the most impacted soils have been excavated, covered with fill, and paved with asphalt to



be used as a parking lot as illustrated in the Removal Action Area Map attached hereto as Exhibit B. In addition, the Property has been landscaped with trees and utilities (lighting) has been constructed.

**Land Use Restrictions:**

BOOK 00639 PAGE 0136

Prior to any part of the Property being used for a residence, domicile, daycare, school, recreational facility, or church with an outdoor playground, the Grantor, its successors, and/or assigns must notify TDEC and must demonstrate to the satisfaction of TDEC that any such proposed use listed above will not pose a danger to public health, safety, or the environment. Any approval granted by TDEC for the restricted uses shall be in writing, must contain a reference to this instrument, and shall be filed with the Sullivan County Register of Deeds.

The Grantor, its successors, and/or assigns must notify TDEC prior to any invasive activity on the Property that may affect groundwater, including the installation of potable groundwater wells. The Grantor, its successors, and/or assigns must demonstrate to the satisfaction of TDEC, through sampling and analysis approved by TDEC, that any restricted activity will not pose a danger to public health, safety, or the environment. Any approval granted by TDEC for the restricted uses shall be in writing, must contain a reference to this instrument, and shall be filed with the Sullivan County Register of Deeds.

The Grantor, its successors, and/or assigns must notify TDEC prior to any invasive activity on the Property that may cause contact with or release of soils and/or groundwater, including, but not limited to, soil borings, installation of potable groundwater wells, building construction, and excavation. The Grantor, its successors, and/or assigns must demonstrate to the satisfaction of TDEC, through sampling and analysis approved by TDEC, that any restricted activity will not pose a danger to public health, safety, or the environment. Any approval granted by TDEC for the restricted uses shall be in writing, must contain a reference to this instrument, and shall be filed with the Sullivan County Register of Deeds.

**Enforcement**

Any owner of the land or any unit of local government having jurisdiction over any part of the subject property, may enforce this Notice of Land Use Restrictions by means of a civil action. The Commissioner of TDEC may enforce this Notice of Land Use Restrictions through the issuance of an Administrative Order or by means of a civil action, including one to obtain an injunction against present or threatened violations of the restriction. Pursuant to T.C.A. Section 68-212-213, any person who fails, neglects or refuses to comply with a land use restriction commits a Class B misdemeanor

and is subject to the assessment of a civil penalty of up to ten thousand dollars (\$10,000) per day.

**Term**

BOOK 00539 PAGE 0137

This Notice of Land Use Restrictions shall run with and bind the Property unless/until this Declaration shall be made less stringent or canceled as set forth under the paragraph entitled "Amendment and Termination."

**Amendment and Termination**

This Notice of Land Use Restrictions may be made less stringent or canceled by the Commissioner of TDEC if the risk has been eliminated or reduced so that less restrictive land use controls are protective of human health and the environment. No amendment to or termination of this Notice of Land Use Restrictions shall be effective until such amendment or instrument terminating this Notice of Land Use Restrictions is recorded by the Sullivan County Register of Deeds.

**Severability**

Invalidation of any of these covenants or restrictions by judgement or court order shall in no way affect any other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 24<sup>th</sup> day of August 2005.

GRANTOR:

**ATMOS ENERGY CORPORATION**

(successor in interest to United Cities Gas Company)

By: 

Louis P. Gregory

Sr. Vice President & General Counsel

Before me, the undersigned Notary Public in and for the State aforesaid, personally appeared Louis P. Gregory, known to me as Sr. Vice President and General Counsel of Atmos Energy Corporation, and by his ~~signature executed the foregoing~~ instrument for the purpose therein contained.

WITNESS, this 24<sup>th</sup> day of August, 2005.




**NANCY K. CONNER**

Notary Public

STATE OF TEXAS

My Commission Expires 11/24/2008

  
Notary Public

11/24/2008  
Commission Expiration

Exhibit A  
Legal Description  
As Recorded in Deed Book 125, Page 281

BOOK 00639 PAGE 0138

TRACT NO. 1

SITUATED in the Seventeenth Civil District of Sullivan County, Tennessee, and within the corporate limits of the City of Bristol, Tennessee, and being more particularly bounded and described as follows:

BEGINNING at an iron pipe in the south property line of Shelby Street 326' east of the southeast corner of Shelby Street and Ninth Street; thence along the south side of Shelby Street south 87 deg. 09' east 112.0' to an iron pin; thence south 2 deg. 51' west, 171.5'; thence south 4 deg. 56' west, 207.8' to the north of Broad Street, thence along the north side of Broad Street, north 89 deg. 11' west, 179.5' to an iron pin, thence north 31 deg. 27' west, 251.8' to an iron pin on the north side of Crumley Alley; thence along the north side of Crumley Alley south 88 deg. 17' east, 129.9' to an iron pipe; thence north 2 deg. 51' east 69.1' to an iron pipe; thence south 86 deg. 51' east, 87.0' to an iron pin, thence north 2 deg. 51' east, 106.3' to the point of BEGINNING, containing approximately 1.80 acres, subject to such rights as may be vested in the City of Bristol, Tennessee, and the Public rights of way for Paps Alley and Crumley Alley.

The foregoing tract of land is conveyed subject to a steam pipe line easement in favor of the City of Bristol, Tennessee, said pipe line over and across the land being conveyed and being more fully described in Deed of record in Deed Book 73, page 571, in the Register's Office for Sullivan County, Tennessee. Said property is also conveyed subject to easement in favor of the City of Bristol, Tennessee, dated April 5, 1957, and recorded in the Register's Office for Sullivan County, Tennessee, in Deed Book 106, page 478, as corrected by Deed of Easement dated August 11, 1961.

TRACT NO. 2

SITUATED in the Seventeenth Civil District of Sullivan County, Tennessee, within the corporate limits of the City of Bristol, Tennessee, and being more particularly bounded and described as follows:

BEGINNING at a 2-inch pipe in the south line of Shelby Street at the northeast corner of the present Bristol, Tennessee, Shelby Street Substation tract; thence with the line of the substation tract south 2 deg. 51' west, 106.3 feet to a  $\frac{3}{4}$  inch pin; thence north 86 deg. 51' west, 5.5 feet to a  $1\frac{1}{2}$  inch pipe; thence, leaving the line of the substation tract, north 2 deg. 51' east, 96.3 feet to a  $1\frac{1}{2}$  inch pipe; thence north 19 deg. 01' west, 10.8 feet to a cross mark cut in a concrete drive, in the north line of the substation tract, and in the south line of Shelby Street; thence with the line of the substation tract and the south line of Shelby Street south 87 deg. 09' east, 9.5 feet to the point of BEGINNING, and containing 0.01 acre, more or less.

PART LUD BY NCAR  
REGISTER OF DEEDS  
SULLIVAN COUNTY, TENNESSEE  
02 SEP 2005      FEE      10.00 U  
BOOK    00639      PAGE      0138  
TAX      C      OF 1.00  
FEE      25.00      TOTAL      21.00  
RECORDING NO. 2005-00005

PARKING AREA

PROJECT AREA






EXCAVATION AREA

PRODUCTION WATER WELL

SIDEWALK

ANDERSON STREET

EXPLANATION

-  CREEK BANK
-  TRAFFIC BARRIERS/FENCING
-  CURBED PARKING ISLANDS WITH LIGHTING
-  PUBLIC EXCLUSION/PROJECT WORK AREA
-  EXCAVATION AREA

0 30  
SCALE IN FEET



Exhibit B  
Removal Action Area  
Atmos Energy Corporation  
Shelby Street FMGP, Bristol, Tennessee  
TN000601.0005.0004

Drawing Date: 9/24/2009 2:20

Current Plotstyle: By Color  
Layout Tab: Layout2

App Version: R16.14 (LTS Tech) Date/Time: Wed, 31 Jun 2009 - 10:45am  
Plot Name: C:\ENV\Atmos\TMO00601\_Bristol\001\0005\_remove\_action\1009\_alto.dwg  
User Name: mroelmen

## **Attachment C**



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

July 11, 1994

Mr. Gary W. Price  
Unites Cities Gas Energy Corp.  
5300 Maryland Way  
Brentwood, TN 37027

RE: Permanent Closure Application - Approved  
United Cities Gas Company  
118 2nd Avenue North  
Facility ID #5-940198, Davidson County

Dear Mr. Price:

The Division of Underground Storage Tanks has approved your Application for Permanent Closure of Underground Storage Tank Systems dated July 8, 1994 for the above referenced facility. Enclosed is a copy of the approved application. This copy must be kept at the site during all closure activities.

This office must be notified at least one working day in advance of any major field activities.

If a release is identified during closure procedures, then the following initial response actions must be performed by United Cities Gas Energy Corporation as required by Rule 1200-1-15-.06(2):

- (a) Report the release to the Division within 72 hours (e.g., by telephone or electronic mail);

Mr. Gary W. Price  
July 11, 1994  
Page 2

- (b) Take immediate action to prevent any further releases of the petroleum into the environment; and
- (c) Take immediate action to identify and mitigate fire, explosion, and vapor hazards.

All Fund eligible work shall be conducted and/or overseen by an UST Approved Corrective Action Contractor. The current list of approved contractors is enclosed.

United Cities Gas Energy Corporation must comply with all applicable federal, state, and local requirements during tank closure activities, including treatment and disposal of contaminated soil and/or groundwater. For information regarding the treatment of petroleum contaminated soils, refer to the enclosed Technical Guidance Document 009.

Enclosed is a copy of the Permanent Closure Report Form and Technical Guidance Document 005. The Permanent Closure Report Form must be completed and submitted with original or carbon copies of the analytical results. Photocopies will NOT be accepted.

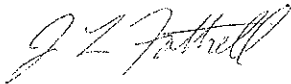
Before the closure of your UST system can be considered complete, an amended UST Notification Form must be completed, signed, and submitted to the UST Central Office in Nashville. Failure to properly submit the form may result in the assessment of additional UST fees. To assist you in properly completing the Notification Form, the following instructions should be followed:

1. If tanks are being removed and no additional tanks are being installed, then complete only sections I, II, VIII, and X. The tank identification numbers should correspond with the numbers for these tanks on the previous Notification Form.
2. If additional tanks are to be installed at this facility, then sections IX and XI must also be completed. The identification numbers for the new tanks must be different from the numbers of the tanks which were removed (e.g., Tanks 1, 2, and 3 were removed, Tanks 4, 5, and 6 are to be installed).

Mr. Gary W. Price  
July 11, 1994  
Page 3

If you have any questions concerning this correspondence,  
contact me at (615) 741-0654.

Sincerely,



J. L. Fottrell  
Geologist  
Division of Underground Storage Tanks

JLF/S1014192/FO-23

Enclosure:      Approved Closure Application (copy)  
                 Permanent Closure Report Form  
                 Technical Guidance Document 005 (8/91)  
                 Technical Guidance Document 009 (1/92)  
                 Notification for Underground Storage Tanks  
                 UST Approved CAC List  
                 Authorization For Fund Eligibility

cc:    Nashville UST Central Office - Fee & Notification  
         Section  
         Nashville UST Field Office





January 1994

# STATE OF TENNESSEE

## DIVISION OF UNDERGROUND STORAGE TANKS

### APPLICATION FOR PERMANENT CLOSURE OF UNDERGROUND STORAGE TANK SYSTEMS

The UST system owner shall complete and submit the original of this application to the appropriate Division of Underground Storage Tanks field office for approval 30 days in advance of closing an UST system. Refer to the attached map for the address of the appropriate field office. A copy of the approved application shall be on the premises during closure of the UST system. All of the following items shall be addressed.

Once approved this application is valid for twelve months from the date of approval. The approved application is non-transferable. If ownership of the UST system changes, a new application shall be submitted for approval.

1. Facility I.D. Number: 5 -- 9 4 0 1 9 8

2. Name of Facility: United Cities Gas Company

Address: 118 2nd Avenue North  
Franklin, Tennessee 37064

Phone Number: (615) 794-2595

County: Williamson

On-site Contact (Operator): John Glerum

3. Name of Tank Owner: United Cities Gas Energy Corporation

Address: 5300 Maryland Way  
Brentwood, Tennessee 37027

Phone Number: (615) 373-0104 Contact person: Karol Sole

4. Number of tanks registered at this facility: 1

5. Number of regulated tanks to be closed: 1

6. List the tank number, size, contents, primary use and date last used for all tanks to be closed.

Tank Number	Size	Contents (past and present)	* Usage (all that apply)	Date Last Used
<u>1</u>	<u>8,000</u>	<u>Diesel</u>	<u>Vehicles</u>	<u>1989</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

APPROVED  
DIVISION OF UNDERGROUND STORAGE TANKS

BY JL Feltwell DATE 7-11-94

\* Heating oil, Emergency generator, Retail, Commercial, Farm, Residential, Other

7. A site map shall be attached showing the location of the underground storage tanks, associated lines, sampling points and any nearby underground utilities. A SITE MAP IS REQUIRED. THE APPLICATION WILL NOT BE PROCESSED WITHOUT ONE.

8. Type of closure: Removal X

\*\* Closure in place \_\_\_\_\_

\*\* Inert material selected \_\_\_\_\_

\*\* Describe the reason for closing the UST system in-place.

Refer to the document Procedure for Tank Closure-in-Place for selecting the inert solid fill material.

9. Soil and/or groundwater samples shall be collected. Laboratory analyses are based on the type of product stored. If the type of product stored is unknown, all samples shall be analyzed using BTX, TPH-GRO, TPH-DRO, and a waste oil method. Mark all the following that apply:

GASOLINE TANKS: (Boiling Point Range 70-180° F)

Benzene, Toluene, Xylene (BTX) AND  
Total Petroleum Hydrocarbons-Gasoline Range Organics (TPH-GRO) \_\_\_\_\_

DIESEL OR KEROSENE TANKS: (Boiling Point Range 180-450° F)

Total Petroleum Hydrocarbons-Diesel Range Organics (TPH-DRO) X

WASTE OIL TANKS: (Boiling Point Range greater than 450° F)

418.1 OR 503E \_\_\_\_\_

CHEMICAL TANKS:

Contact David Arial with the Environmental Protection Agency in Atlanta at (404) 347-3866.

10. All excavated material remaining on the site of generation or on a site owned by the generator or subsidiary of the generator shall be placed on and covered with plastic until sampled or managed in accordance with Technical Guidance Document-005. Sampling the excavated material can be done at the time of removal or after proper treatment of the contaminated material.

If petroleum contaminated material is managed in accordance with Technical Guidance Document-009, an Application to Treat Petroleum Contaminated Soil shall be completed and submitted to the appropriate field office for approval. If the contaminated material is to be treated on a site owned by a third party, contact the Tennessee Division of Solid Waste Management.

11. Name of Division approved laboratory selected Environmental Science, Mt. Juliet, TN  
12. Name of Company/Person performing the UST system closure SPATCO Environmental Services  
13. Name of Company/Person obtaining soil/groundwater samples SPATCO Environmental Services  
14. Proposed date of UST system closure 7-27-94

A copy of the approved application shall be on the premises during closure of the UST system.

I, (print) GARY W. PRICE, VP + Chief Engineer <sup>Oil Energy, a subsidiary of United Cities Gas Company</sup> owner of the petroleum UST system(s) at this facility, agree to submit, within 45 days of collecting the samples, the analytical results for the UST system closure and will resolve all environmental problems resulting from a release from the UST system(s) at this site.

I certify under penalty of law, including but not limited to penalties for perjury, that the information contained in this form and on any attachments is true, accurate and complete to the best of my knowledge, information and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violations.

Signature of UST system owner  
or owner's authorized representative VP + Chief Engineer, United Cities Gas Company

Date 7/8/94

State of Tennessee

County of Williamson

Sworn to and subscribed before me by Gary Price

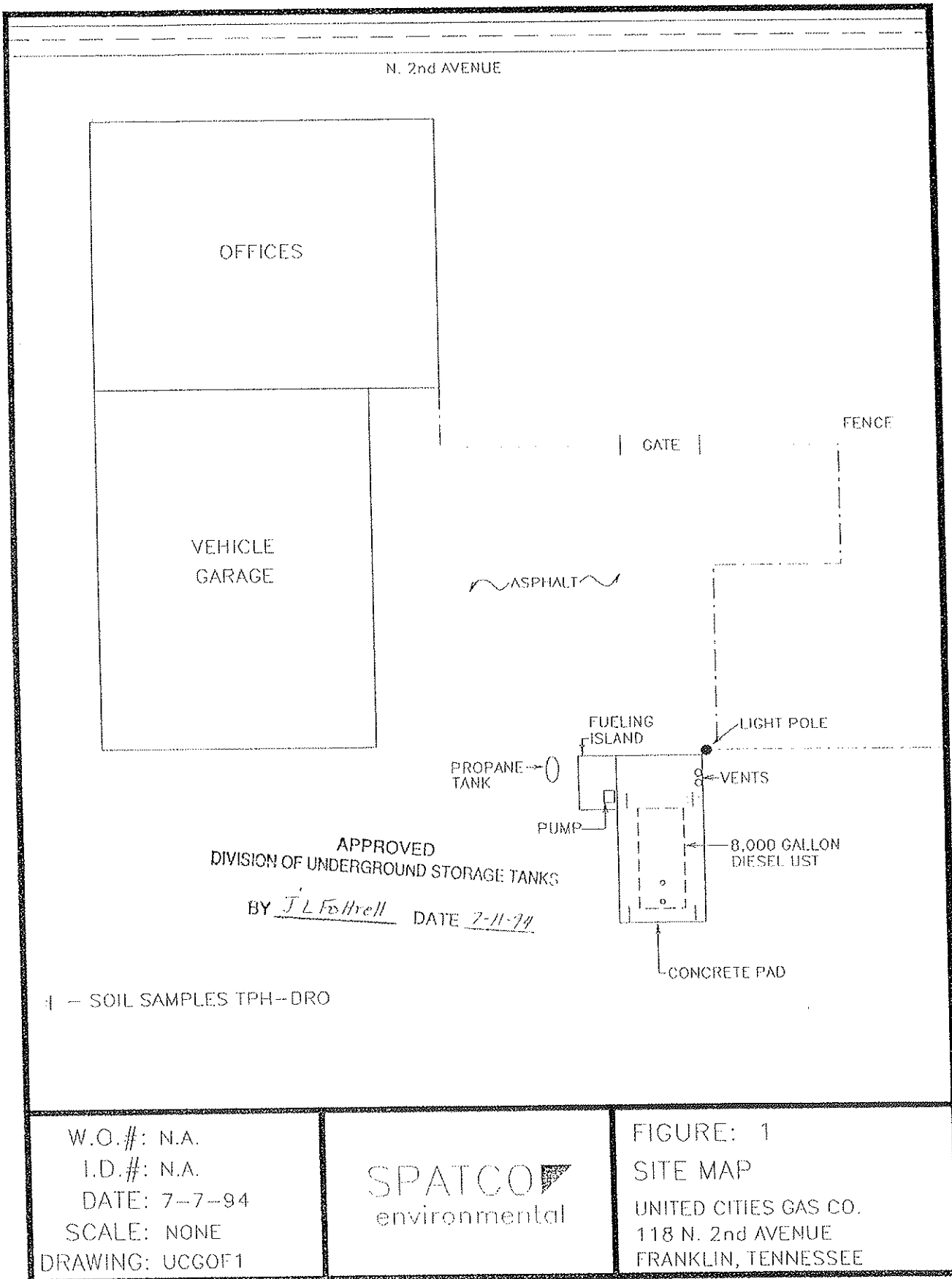
on this date July 8, 1994

My commission expires Jan. 25, 1997

Delmar D. Spaulkman  
Notary Public

APPROVED  
DIVISION OF UNDERGROUND STORAGE TANKS

BY JL Fellrell DATE 7-11-94





DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF UNDERGROUND STORAGE TANKS  
AUTHORIZATION FOR FUND ELIGIBILITY  
4th Floor, L & C Tower  
401 Church Street  
Nashville, Tn. 37243-1541

SECTION 1. FACILITY INFORMATION

Facility ID# 5 - 240198 Location 118 2nd Avenue North Franklin  
street city zip code  
United Cities Gas Company United Cities Gas Company ( )  
Facility Name Operator Name Telephone

SECTION 2. RESPONSIBLE PARTY INFORMATION

Name UCG Energy 62-0730301  
(SS#/FIN#)  
Address 5300 Maryland Way Contact  
Person: Karol Sole  
Brentwood TN 37027 Phone: (615) 373-0104  
city state zip code  
Applicant Type: Tank owner ( ) Property Owner ( )  
Operator (X) Other (describe) \_\_\_\_\_

Date Facility was Purchased 12-30-88  
Indicate the Number of USTs operated in Tennessee 10

SECTION 3. DISCOVERY OF CONTAMINATION

Date Contamination Discovered 07/29/94 Date Reported to UST 07/29/94  
What Events led to Discovery: Release Detection ( ) Inventory Control ( ) Closure (X)  
Free product or vapors present ( ) Off-Site Impact ( )  
Other (describe) \_\_\_\_\_

SECTION 4. CONTRACTOR/CONSULTANT INFORMATION

SPATCO Environmental Services 29837 \$ 3,000,000 560-40-8360  
Firms Name Licence # Monetary Limit (SS#/FIN#)  
Shaun Winter, Senior Hydrogeologist TN #0888  
Engineers/Geologist Name and Title Licence #  
Barry Cleveland, Geologist TN #0582  
Engineers/Geologist Name and Title Licence #

ATTACH COPY OF CONTRACTUAL AGREEMENT WITH CONTRACTOR

SECTION 4. CONTINUED ---CONTRACTOR/CONSULTANT INFORMATION

Firms Name \_\_\_\_\_ Licence # \_\_\_\_\_ \$ \_\_\_\_\_ Monetary Limit \_\_\_\_\_ (SS#/FIN#) \_\_\_\_\_

Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_

Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_

ATTACH COPY OF CONTRACTUAL AGREEMENT WITH CONTRACTOR

SECTION 4. CONTINUED ---CONTRACTOR/CONSULTANT INFORMATION

Firms Name \_\_\_\_\_ Licence # \_\_\_\_\_ \$ \_\_\_\_\_ Monetary Limit \_\_\_\_\_ (SS#/FIN#) \_\_\_\_\_

Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_

Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_

ATTACH COPY OF CONTRACTUAL AGREEMENT WITH CONTRACTOR

SECTION 5. APPLICANT CERTIFICATION

Submitting false information to obtain reimbursement from Underground Storage Tank Petroleum Fund may result in criminal prosecution. I agree to be reimbursed from the Fund for cost that the State deems to be reasonable and necessary. I certify all information in this application is correct and accurate to the best of my knowledge.

Gary W. Price, P.E.  
Print or Type Applicant's Name

Vice President & Chief Engineer  
Applicant's Title

[Signature]  
Applicant's Signature

August 8, 1994  
Date

DO NOT WRITE BELOW THIS LINE FOR TENNESSEE UST PERSONNEL ONLY

Reviewer's Signature: \_\_\_\_\_ Date \_\_\_\_\_

Fund Eligibility has been----- Approved / Denied \_\_\_\_\_

Authorization Number Assigned \_\_\_\_\_



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
4TH Floor, L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

August 12, 1994

Ms. Karol Sole  
UCG Energy  
5300 Maryland Way  
Brentwood, TN 37027

RE: Fund Eligibility  
United Cities Gas Company  
118 2nd Avenue North  
Franklin, TN  
FAC #5-191228

Dear Ms. Sole:

The Division of Underground Storage Tanks has reviewed the Authorization for Fund Eligibility form submitted for the above mentioned facility.

The prerequisites for Fund Eligibility are:

1. Tanks must have been in use after the effective date of the Act, which was July 1, 1988.
2. Tanks must be properly registered.
3. All tank fees must be paid.

T.C.A., Section 68-53-102, states in part; It is the intent of the General Assembly that this Act not apply retroactively to releases or other events that occurred prior to July 1, 1988.

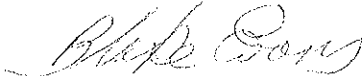
Upon reviewing the available files for this facility it was determined that when the tanks were registered, they were registered as temporarily out of service. These tanks were also registered as not being used since October 1987. Since these tanks were not actively storing product at the time the Act went into effect the release must have occurred before the Act and is therefore, not fund eligible.

If you disagree with this determination, you have fifteen (15) days to file a Petition for Declaratory Order pursuant to T.C.A. 4-5-223 stating why you believe this is not a proper application of the UST Act and regulations. Address this petition to the Division of Underground Storage Tank Board and mail it to:

Mr. Chuck Head, Director  
Division of Underground Storage Tanks  
4TH Floor, L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

Prior to taking formal action, we encourage you to contact us informally to discuss it. Please feel free to contact me at (615) 532-0975.

Sincerely,



Blake Evans, Manager  
Fund Reimbursement and  
Financial Responsibility  
Division of Underground Storage Tanks

BCE\RSD

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080

TWX 910-221-2103 Telex 206281

FAX (312) 701-2361

Telephone (312) 845-3000

FILE  
Franklin UST

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

September 8, 1994

VIA FEDERAL EXPRESS

Mr. Chuck Head, Director  
Division of Underground  
Storage Tanks  
4th Floor  
L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1541

Re: Petroleum Underground Storage Tank  
Fund Eligibility  
United Cities Gas Company  
118 Second Avenue North  
Franklin, Tennessee

Dear Mr. Head:

Enclosed please find a Petition for Declaratory Order which we have prepared and hereby submit pursuant to Tennessee Code Annotated Section 4-5-223 in connection with the referenced matter.

Very truly yours,

CHAPMAN AND CUTLER

By Kathleen L. Nooney  
Kathleen L. Nooney

KLN/njl  
Enclosure

cc: T. Jeffrey Layne

299175.01.01  
26996-9

C O P Y



BEFORE THE STATE OF TENNESSEE DIVISION OF UNDERGROUND STORAGE  
TANK BOARD

UNITED CITIES GAS COMPANY,

Petitioner,

v.

TENNESSEE DEPARTMENT OF  
ENVIRONMENT AND CONSERVATION,

Respondent.

**PETITION FOR DECLARATORY ORDER**

To the Division of Underground Storage Tank Board:

United Cities Gas Company ("*United Cities*"), Petitioner, by Chapman and Cutler, its attorneys, pursuant to Tennessee Code Annotated §4-5-223 hereby petitions the Division of Underground Storage Tank Board ("*Board*") for a declaratory order regarding the Department of Environment and Conservation ("*Department*") decision on United Cities' application for authorization for eligibility for reimbursement from the Tennessee Petroleum Underground Storage Tank Fund ("*Fund*"), and in support hereof, respectfully states as follows:

1. United Cities purchased the property located at 118 Second Avenue North, Franklin, Tennessee on December 30, 1988. Also on December 30, 1988, as part of the property acquisition, United Cities acquired an 8,000 gallon underground storage tank which contained diesel fuel (hereinafter the "*tank*"). At the time United Cities acquired the tank, it no longer was in use.

2. On July 29, 1994, United Cities removed the tank.

3. When United Cities removed the tank on July 29, 1994, United Cities discovered that the tank had released its contents into the surrounding environment. On July 29, 1994, diesel sludge remained in the tank, and surrounding soils contained diesel range organics.

4. On August 8, 1994, United Cities submitted its application for authorization for Fund eligibility ("*application*") to the Department.

5. On August 12, 1994, the Department issued its decision on the application and mailed a letter to United Cities stating that United Cities is not eligible for reimbursement from the Fund.

6. The letter that the Department mailed to United Cities was improperly issued because the letter referenced FAC #5-191228, which is an incorrect facility designation.

7. Because the facility and the tank were not properly identified by the Department in its letter, the letter did not reach the appropriate United Cities employee until September 2, 1994. On September 2, 1994, T. Jeffrey Layne, United Cities' local counsel, received the letter.

8. In its letter, the Department stated that the tank is not eligible for reimbursement from the Fund because "the release must have occurred before the Act."

9. The Department based its conclusion that the release must have occurred before the Act, and that United Cities therefore is not eligible for Fund reimbursement, solely on the faulty assumption that a tank which no longer is in active use cannot leak.

10. United Cities objects to the Department's decision on the grounds that:

a. The Department has incorrectly assumed that the release from the tank occurred prior to July 1, 1988, the effective date of the Tennessee Underground Storage Tank Act ("*Act*").

b. United Cities discovered the release from the tank on July 29, 1994, well after the effective date of the Act.

c. There is no evidence upon which the Department can conclude that the tank experienced the release prior to July 1, 1988. Just because the tank no longer was in use on July 1, 1988 does not mean that the release was not occurring on or after that date.

d. The date of discovery of the release is the operative date for determining Fund eligibility for this claim. *See, Memphis Publishing Co. v. Tennessee Petroleum Underground*, No. 01A01-9305-CH-00202 (Tenn. App. Nov. 19, 1993) (1993 WL 476292) at 2 ("The Department has consistently followed its policy of using the date of the discovery of the release as the applicable date under the UST Act.).

WHEREFORE, United Cities respectfully requests a declaratory order on this matter, and that the Tennessee Division of Underground Storage Tank Board reverse the decision of the Tennessee Department of Environment and Conservation and order that the Petitioner is eligible for reimbursement from the Tennessee Petroleum Underground Storage Tank Fund.

Respectfully submitted,

UNITED CITIES GAS COMPANY

By Kathleen L. Nooney  
One of its Attorneys

James P. O'Brien  
Kathleen L. Nooney  
CHAPMAN AND CUTLER  
111 West Monroe Street  
Chicago, Illinois 60603  
(312) 845-3000

Of Counsel:  
T. Jeffrey Layne  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027  
615-373-0104



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
OFFICE OF GENERAL COUNSEL  
401 Church Street  
Nashville, Tennessee 37243-1548

September 22, 1994

Kathleen L. Nooney  
Attorney for United Cities Gas Company  
Chapman and Cutler  
111 West Monroe Street  
Chicago, Illinois 60603

T. Jeffrey Layne  
Attorney for United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: UNITED CITIES GAS COMPANY  
PETITION FOR DECLARATORY ORDER

Dear Counsel:

The Tennessee Petroleum Underground Storage Tank Board determined it will adjudicate the Petition for Declaratory Order filed by your client. A contested case will be convened; you will receive a formal Notice of Hearing notifying you of the hearing date.

Please clarify which Petition filed with this Department you wish to pursue. The Petition filed with Commissioner Luna requested a contested case hearing based upon an appeal of an "Order" issued by the Department. The Commissioner did not issue an Order and Assessment, yet made a determination of fund eligibility for this particular facility. Thus, I assume the Petition for Declaratory Order which focuses upon the fund eligibility determination communicated to your client via correspondence dated August 12, 1994, delivered to Mr. Chuck Head, is the pleading initiating this controversy.

Also, perhaps you will be interested in the informal exchange of information as directed in the Uniform Administrative Procedures Act. The Division of Underground Storage Tanks (the

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080  
TWX 910-221-2103 Telex 206281  
FAX (312) 701-2361  
Telephone (312) 845-3000

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

October 14, 1994

VIA FEDERAL EXPRESS

Theresa Denton  
State of Tennessee  
Department of Environment and Conservation  
Office of General Counsel  
401 Church Street  
Nashville, Tennessee 37243-1548

Re: Petroleum Underground Storage Tank  
Fund Eligibility  
United Cities Gas Company  
118 Second Avenue North  
Franklin, Tennessee

Dear Ms. Denton:

Enclosed please find a copy of the permanent closure report for the underground storage tank ("UST") which was removed from the referenced property in July 1994. Please note that the liquid waste manifest attached to the report indicates that sludge remained in the UST and was removed from the UST at the time the UST was pulled in July 1994, indicating that the UST indeed was experiencing a release at that time.

Should you have further questions or comments about this matter, please do not hesitate to contact the undersigned.

Very truly yours,

CHAPMAN AND CUTLER

By Kathleen L. Nooney  
Kathleen L. Nooney

KLN/njl  
Enclosure

cc: Karol Sole  
Jeff Layne

311820.01.01  
26996-9

C O P Y



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

March 29, 1996

**CERTIFIED MAIL**  
Z 004 256 888

Mrs. Karol Sole  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37027

RE: UST Closure - Soil Contamination  
United Cities Gas Company  
118 Second Avenue North, Nashville  
Facility ID #5-940198, Williamson County

Dear Mrs. Sole:

The Division of Underground Storage Tanks has received the analytical results dated December 2, 1994, for the above referenced facility. The results indicate that the samples collected were above Division cleanup levels of 10 ppm for total BTX and/or 100 ppm for TPH. UCG Company has the following options:

1. Overexcavate the area of concern again. If water or bedrock is encountered during overexcavation, this office must be notified. Additional soil samples shall be collected from the overexcavated area. An Amended Permanent Closure Report shall be submitted to this office by **May 10, 1996**. The report shall contain the original or carbon copy of the analytical results, the estimated volume of overexcavated soil, a scaled site map identifying the area of overexcavation with the additional sampling points and a description of the management of the contaminated soil. Photocopies of the analytical results will **NOT** be accepted. If overexcavation is not implemented or is not successful, this office must be notified by **April 19, 1996**. This office shall be notified at least on working day of any sampling event.
2. Follow Technical Guidance Document - 011 (TGD) to determine if less stringent soil cleanup levels can be applied to the site. If this option is chosen the report outlined in the TGD shall be submitted to this office by **May 10, 1996**.

**All Fund eligible work shall be conducted and/or overseen by an UST Approved Corrective Action Contractor.**

Mrs. Karol Sole  
March 29, 1996  
Page 2

If you have any questions concerning this correspondence, call (615)650-7276.

Sincerely,

A handwritten signature in black ink, appearing to read 'Van Medlock', with a stylized flourish at the end.

Van Medlock, EIT  
Environmental Protection Specialist  
Division of Underground Storage Tanks

c: UST-NCO Enforcement and Compliance  
Nashville UST Field Office

FO-NFO28e/VDM/94019803.296

FILE

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
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1879-1959

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Telephone (312) 845-3000

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

May 15, 1996

Theresa Denton, Esq.  
State of Tennessee  
Department of Environment and Conservation  
Office of General Counsel  
401 Church Street  
Nashville, Tennessee 37243-1548

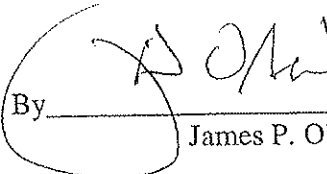
Re: Petroleum Underground Storage Tank  
Fund Eligibility  
United Cities Gas Company  
118 Second Avenue North  
Franklin, Tennessee

Dear Ms. Denton:

As we discussed yesterday, we have provided additional information concerning the tank fund eligibility for the above-captioned site. We would like to resolve any eligibility issues before we continue to incur substantial expenses to respond to the UST leak. At your convenience, please advise the undersigned of the Department's position upon completion of your review.

Very truly yours,

CHAPMAN AND CUTLER

By  \_\_\_\_\_  
James P. O'Brien

cc: Ms. Karol Sole  
T. Jeffrey Layne, Esq.

C O P Y





STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

May 16, 1996

**CERTIFIED MAIL**  
Z 004 256 929

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37027

RE: Release Response and Corrective Action  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility ID #5-940198, Williamson County

Dear Mrs. Schulz:

On May 15, 1996, the Division of Underground Storage Tanks received the laboratory analytical sheets from United Cities Gas Company in Franklin. The analytical indicated that Diesel Range Organics (DRO) were present above the Division's most stringent levels. Sampling results also indicated that BTX and GRO were present at this facility. Remediation of these constituents will be regulated by the Division of Solid Waste Management. Assessment activities shall be performed concurrently to expedite the remediation at this site.

Rule 1200-1-15-.06 of the Tennessee Petroleum Underground Storage Tank Regulations requires that UCG Company take immediate action to prevent any further release of petroleum into the environment and to identify and mitigate fire, explosion, and vapor hazards.

Rule 1200-1-15-.06(3) requires that owners and operators, in response to a confirmed release from an underground storage tank system, perform initial abatement measures. These measures must include the following:

1. Remove as much of the petroleum from the UST system as is necessary to prevent further release to the environment;
2. Visually inspect any aboveground releases or exposed below ground releases and prevent further migration of the petroleum into surrounding soils and ground water;
3. Continue to monitor and mitigate any additional fire and safety hazards posed by vapors or free product that have migrated from the UST excavation zone and entered into subsurface structures (such as sewers or basements);
4. Remedy hazards posed by contaminated soils that are excavated or exposed as a result of release confirmation, site investigation, abatement, or corrective action activities. If these remedies include treatment or disposal of soils, the owner and/or operator must comply with applicable state and local requirements; and

Mr. Stuart Schulz  
May 16, 1996  
Page 2

5. Investigate to determine the possible presence of free product, and begin free product removal as soon as practicable and in accordance with Rule 1200-1-15-.06(5). If free product is discovered, the rule also requires that owners and operators submit a **Free Product Removal Report (FPRR)** to the Division within 45 days of the date of free product discovery. The FPRR shall be prepared in accordance with the appropriate format.

Rule 1200-1-15-.06(3)(b) requires that a report, summarizing the initial abatement steps taken and any resulting information or data, be submitted to the Division. The **Initial Abatement Report (IAR)** shall be submitted by **June 6, 1996**. The IAR shall be prepared in accordance with the enclosed format.

Rule 1200-1-15-.06(4) requires that owners and operators assemble information about the site and the nature of the release. This information must include, but is not necessarily limited to the following:

1. Data on the nature and estimated quantity of release;
2. Data from available sources and/or site investigations concerning the following factors: surrounding populations, water quality, use and approximate locations of wells potentially affected by the release, subsurface soil conditions, locations of subsurface sewers, climatological conditions, and land use; and
3. Results of the free product investigations required under Rule 1200-1-15-.06(3)(a)6. If free product is discovered, Rule 1200-1-15-.06(5) requires that owners and operators submit a **Free Product Removal Report (FPRR)** to the Division within 45 days of the date of free product discovery. The FPRR shall be prepared in accordance with the appropriate format.

Rule 1200-1-15-.06(4)(b) requires that a report summarizing this information be submitted to the Division. The **Initial Site Characterization Report (ISCR)** shall be submitted by **July 3, 1996**. The ISCR shall be prepared in accordance with the appropriate format.

UCG Company shall:

1. Install the initial four (4) soil borings and monitoring wells by **July 3, 1996**.
2. Refer to the enclosed Technical Guidance Document - 014 to determine if the site is eligible for the UST Site Ranking System.

If the site is eligible for ranking and the numerical ranking score for the site is below 500, then UCG Company shall either:

1. Submit all data from the initial four (4) soil borings and monitoring wells in an **Environmental Assessment Report (EAR)** by **September 16, 1996**; or,
2. Determine the full extent of contamination in the soil and ground water to the applicable cleanup levels and submit the resulting data in an **EAR** by **September 16, 1996**.

If the site is not eligible for ranking or the numerical ranking score for the site is at or above 500, then UCG Company shall:

1. In accordance with Rule 1200-1-15-.06(6)(a), determine the full extent of contamination in the soil and ground water to the applicable cleanup levels.
2. In accordance with Rule 1200-1-15-.06(6)(b), submit an **Environmental Assessment Report (EAR)** by **September 16, 1996**.

Mr. Stuart Schulz  
May 16, 1996  
Page 3

All assessment activities shall be conducted in accordance with the **Environmental Assessment Guidelines**. The **EAR** and **CAP** shall be prepared in accordance with the appropriate guidelines. **This office must be notified at least one day in advance of any major field activities.**

**All Fund eligible work shall be conducted and/or overseen by an UST Approved Corrective Action Contractor.** The current list of approved contractors is enclosed. To determine if a site is Fund eligible, the enclosed Authorization for Fund Eligibility Form must be completed and submitted to the Nashville Central Office. If this facility is not Fund eligible, contact this office to obtain the necessary guidelines and report forms.

T.C.A. 68-215-121(a)(1) states that "Any person who violates or fails to comply with any provision of this chapter, any order of the commissioner or board, any rule, regulation, or standard pursuant to this chapter shall be subject to a civil penalty not to exceed ten thousand dollars (\$10,000) per day for each day of violation. This civil penalty may be assessed by the commissioner, the board or the court. Each day such violation continues shall constitute a separate punishable offense, and such person shall also be liable for any damages to the state resulting therefrom."

Efforts to resolve this environmental problem will be considered, should the Division decide to pursue enforcement action.

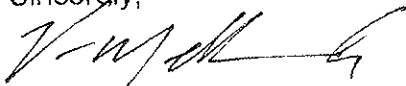
Rule 1200-1-15-09(11) states that a fund eligible owner or operator conducting UST corrective action is entitled to Fund coverage of reasonable costs, subject to certain provisions. The owner or operator must comply with the requirements set forth in Rule 1200-1-15-06 as outlined in this letter. If this facility is Fund eligible, failure to comply with these requirements may result in the loss of fund coverage of the corrective action costs associated with this release.

Send one copy of all correspondence, including reports, to this office and one copy to:

Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Tennessee Department of Environment and Conservation  
Nashville, Tennessee 37243-1541

If you have any questions concerning this correspondence, call (615) 650-7276.

Sincerely,

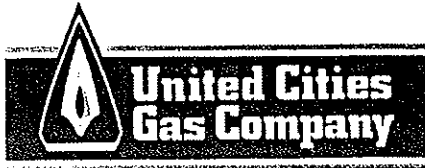


Van Medlock, EIT  
Environmental Protection Specialist  
Division of Underground Storage Tanks

Enclosures: Technical Guidance Document - 014  
UST Approved CAC List  
Authorization For Fund Eligibility  
Initial Abatement Report

c: Nashville UST Central Office - Technical Review Section  
Nashville UST Field Office

FO-NFO05e/VDM/94019805.166



FILE

VIA CERTIFIED MAIL

May 28, 1996

Mr. Van Medlock, EIT  
Environmental Protection Specialist  
Division of Underground Storage Tanks  
Tennessee Department of Environment and Conservation  
Nashville Environmental Field Office  
537 Brick Church Park Drive  
Nashville, TN 37243-1550

**RE: Initial Abatement Report ("IAR")  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility I.D.#5-940198, Williamson County**

Dear Mr. Medlock:

Enclosed please find the IAR for the above referenced site. This IAR has been prepared in response to your Release Response and Corrective Action letter dated May 16, 1996.

If you have any questions or require additional information please do not hesitate to call me at (615) 373-0104 extension 405.

Sincerely,

Stuart Schulz, RPG  
Project Geologist

Enclosure: IAR

cc: Eugenia McCullough, Nashville UST Central Office  
Gary Price  
Karol Sole



DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF UNDERGROUND STORAGE TANKS  
INITIAL ABATEMENT REPORT FORM

The following information shall be provided within twenty (20) calendar days of a confirmed release in accordance with Rule 1200-1-15-.06(3)(b). Each item shall be addressed in a typewritten report.

1. Facility ID #: 5-940198

2. Facility Name: United Cities Gas Company

3. System test failure, laboratory confirmation of petroleum contamination, or discovery of free product was reported to the Division within 72 hours of discovery?

Yes X No     

Method of Notification: Telephoned Lennie Fottrell

(If by telephone, provide the name of the person contacted)

Field Office: Nashville

Date: July 29, 1994

Reported by: Karol Sole (United Cities) and Jim O'Brien (Chapman and Cutler)

4. Date release confirmed: July 28, 1994

5. Describe how the release was discovered? On July 27, 1994 following the excavation and removal of one (1) 8000 gallon diesel UST, petroleum stained soil was observed beneath the product dispenser island. The tank was observed to be intact and not leaking.

6. Describe actions taken to prevent further release to the environment (removal of product from tank, etc.) and prevent further migration of the petroleum (removal of free product, contaminated soil, etc.).  
Approximately 40 cubic yards of soil was excavated from the tankhold during UST removal activities. An additional 60 cubic yards of soil was overexcavated beneath the product dispenser island. All excavated soil was staged on plastic and covered until properly disposed of off-site.

7. Describe the observations from the visual inspection of all aboveground releases and exposed belowground releases.  
From ground surface to a depth of 8 ft. a stiff brown clay exists. No petroleum odors were detected in this interval. From 8ft. depth to bedrock (at 16 to 17 ft. depth) sandy, silty clay exists. Petroleum odors were detected in this interval. Groundwater was encountered at the soil/bedrock interface.

8. Provide all data resulting from the monitoring of vapors or free product.  
Free product was not encountered. VOC's were not detected in the atmosphere surrounding the UST closure area.

9. Describe all actions taken to mitigate fire and safety hazards posed by vapors or free product that have migrated from the UST excavated zone and entered into subsurface structures (such as sewers or basements).  
No vapors have been detected in a nearby sewer and no basements are known to exist downgradient of the UST excavation zone.

10. Document the amount of contaminated soil removed and the management (storage, treatment, and/or disposal) of contaminated soil. (NOTE: The owner and/or operator shall comply with all applicable State and local requirements.)  
On July 28, 1994 approximately 40 cubic yards of contaminated soil was excavated and staged on plastic. On November 18, 1994 an additional 94 cubic yards was excavated, manifested and transported along with the 40 cubic yards previously excavated to Environmental Soil Processing (ESP), Ashland City, TN. On April 17, 1996 an additional 45 cubic yards of contaminated soil was excavated and staged under plastic on-site. This soil is scheduled for biological treatment at ESP as well.

CN-0924

11. If applicable, provide the following: date free product was discovered, amount removed, and the way it was managed (storage, treatment, and/or disposal). (Note: Free product removal shall be conducted in accordance with Rule 1200-1-15-.06(5); the Free Product Removal Report shall be submitted within forty-five (45) calendar days of its discovery.)

Not Applicable

12. Provide all additional information and data generated during initial abatement.

See attached addendums to SPATCO Closure Report.

13. Note: If this is a fund eligible site and reimbursement will be requested from the Tennessee Petroleum Underground Storage Tank Fund an approved Corrective Action Contractor shall perform all work associated with the investigation and remediation of the release from the tank system.

Provide the name(s) of the geologist or professional geologist as defined under Tennessee Code Annotated 62-36-101, the duly licensed professional engineer in the state of Tennessee, and/or an Approved Corrective Action Contractor who conducted the site check, will prepare the Initial Site Characterization Report, and, if necessary, will conduct the soil and ground water investigation and prepare the Corrective Action Plan.

TVG Environmental, Inc. (CO267) and Stuart Schulz, RPG TN1498 (United Cities)

The certification below shall be signed by the tank owner and/or operator (or authorized representative) and the person(s) responsible for preparing the report.

We, the undersigned, certify under penalty of law, including but not limited to penalties for perjury, that the information contained in this report form and on any attachments, is true, accurate and complete to the best of our knowledge, information, and belief. We are aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violations.

Gary W. Price, P.E.

Owner/Operator (Print)

Signature

Date

Stuart P. Schulz, RPG

Prepared by (Print)

Signature

Date

Note: Each of the above signatures shall be notarized.

STATE OF TENNESSEE

Gary W. Price &

Sworn to and submitted before me by Stuart P. Schulz on this date

May 28, 1996

My commission expires January 20, 1999

Terry Lynn Russell

Notary Public - Print Name

Signature

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080  
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2 North Central Avenue  
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(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

June 28, 1996

**FEDERAL EXPRESS**

Van Medlock, EIT  
Environmental Protection Specialist  
Division of Underground Storage Tanks  
Department of Environment and Conservation  
Nashville Environmental Field Office  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

Re: Release Response and Corrective Action  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility ID #5-940198, Williamson County

Dear Mr. Medlock:

We represent United Cities Gas Company ("*United Cities*") with respect to the above-captioned site. As you may know, United Cities has appealed the Fund eligibility decision of the Department to the Underground Storage Tank Board in *In Re United Cities Gas Company*, Case No. 94 0440, Department of Environment and Conservation, State of Tennessee. In addition, we have had an opportunity to speak with the Department's counsel concerning Fund eligibility, and we have provided additional information to the Department which may help in the Department's reconsideration of that issue. In that regard, the Department's counsel was kind enough to provide us with an information request that sets out additional information which the Department will need to consider this issue more fully. We received that information request on or about June 18, 1996, and we are preparing a response.

Since the approach at the above-captioned site may differ depending upon Fund eligibility, United Cities would like an opportunity to work with the Department and its counsel concerning that matter. In that regard, in your letter dated May 16, 1996, you have called for the installation of soil borings and monitoring wells by July 3, 1996, if the site is Fund eligible, and an Environmental Assessment Report ("*EAR*") by September 16, 1996, regardless of whether the site is Fund eligible. United Cities requests an extension of sixty (60) days for both due dates in order to have an opportunity to explore Fund eligibility. In

518302.01.01  
142495-1 (JPO)

C O P Y

Law Offices of  
CHAPMAN AND CUTLER

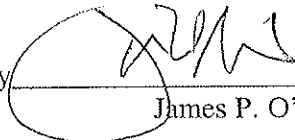
Van Medlock, EIT  
Division of Underground Storage Tanks  
Department of Environment and Conservation  
June 28, 1996  
Page 2

the event that the site is Fund eligible, then United Cities requests that the date to install the initial soil borings and monitoring wells be extended to and including September 3, 1996. Regardless of whether the site is Fund eligible, United Cities requests that the date to submit the EAR be extended to and including November 15, 1996.

We appreciate your consideration of this matter, and we look forward to working with the Department to resolve these issues.

Very truly yours,

CHAPMAN AND CUTLER

By   
James P. O'Brien

JPO/jp  
cc: Tennessee Department of Underground Storage Tanks  
Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1541

✓ Ms. Karol Sole

C O P Y





STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

July 18, 1996

CERTIFIED MAIL  
Z 004 256 860

Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37027

RE: Release Response and Corrective Action  
Extension Request  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has received the above referenced request from Chapman and Cutler dated June 28, 1996. The Division grants an extension of the original submittal dates, which were July 3, 1996 for the installation of soil borings and monitoring wells and September 16, 1996 for the Environmental Assessment Report (EAR).

**The new date for the installation of the initial soil borings and monitoring wells will be September 3, 1996.**  
**The new date for the EAR shall be submitted by November 15, 1996.**

If you have any questions concerning this correspondence, call (615)650-7278.

Sincerely,

A handwritten signature in cursive script that reads "Bill McCabe".

Bill McCabe  
Register Professional Geologist  
Division of Underground Storage Tanks

c: James P. O'Brian, Chapman and Cutler  
Nashville UST Central Office - Technical Review Section  
Nashville UST Field Office - Case File

FO-NFO55e/wcm/94019807.186

STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

IN THE MATTER OF:	DIVISION OF UNDERGROUND STORAGE TANKS
UNITED CITIES GAS COMPANY	CASE NO. 94-0440
FACILITY NO. 5-940198	
Petitioner.	

PETITIONER'S ANSWERS TO COMMISSIONER'S  
FIRST SET OF INTERROGATORIES  
PROPOUNDED TO PETITIONER

NOW COMES United Cities Gas Company, by and through its attorneys, and pursuant to Rule 33 of the Tennessee Rules of Civil Procedure, hereby provides these answers to the Commissioner's First Set of Interrogatories Propounded to Petitioner:

1. Describe the dimensions of the Petitioner's underground storage tank (UST), #5-940198.

ANSWER: United Cities believes that the dimensions of the underground storage tank, facility #5-940198 ("*UST*"), were eight feet in diameter and 21 feet in length. United Cities did not measure the dimensions of the UST at the time of removal, but instead relies upon on a set of standard specifications published by *Brown - Minneapolis Tank for Steel, Single-Walled Underground Storage Tanks*. A copy of the standard specifications is included with the response of United Cities to the Commissioner's First Request for Production of Documents Propounded to Petitioner.

2. The Petitioner has submitted to the UST Division a document designated as "Appendix D Disposal Manifests" which contains two copies of a Liquid Waste Manifest, both bearing the number "6124." Please state whether or not these disposal manifests are complete; and, whether or not two copies of the same document "No. 6124" have been submitted.

ANSWER: There was only one liquid waste manifest which United Cities submitted as "Appendix D Disposal Manifest," bearing manifest No. 6124 ("*Liquid Waste*

*Manifest*"). The Liquid Waste Manifest is complete. United Cities submitted two copies of the same document.

3. State whether or not the liquid and sludge removed from the UST included any liquid which resulted from the cleaning of the tank.

**ANSWER:** Prior to its removal, United Cities did not clean the UST. To the best of the information and belief of United Cities, the "UST sludge/product" referred to on the Liquid Waste Manifest did not include liquid which resulted from the cleaning of the UST.

4. If the UST was steam-cleaned, please state whether or not the condensate which accumulated inside the UST was included in the reported volume of the liquid and sludge disposed from the tank.

**ANSWER:** To the best of the information and belief of United Cities, the "UST sludge/product" referred to on the Liquid Waste Manifest did not include condensate from steam-cleaning the UST.

5. Please describe, with specificity, any product left in the UST in October 1987.

**ANSWER:** To the best of the information and belief of United Cities, the product left in the UST is as described on the Liquids Waste Manifest: "UST sludge/product." United Cities believes the UST contained diesel fuel.

6. Please state why the UST was taken out of operation in 1987.

**ANSWER:** United Cities purchased the property on which the UST was located on or about December 30, 1988. The prior owner of the property took the tank out of operation in 1987, and United Cities has no information as to why the UST was taken out of operation in 1987. United Cities has no information about whether tightness tests were performed prior to taking the UST system out of operation. In addition, United Cities has no information about the type of release detection in place while the UST was in operation.

7. Were there any system tightness tests done prior to taking the UST system out of operation? If yes, what were the results of these tests?

**ANSWER:** See response to interrogatory No. 6.

8. Describe any type of release detection in place while the tank was in operation.

ANSWER: See response to interrogatory No. 6.

9. Please state the name and job title of the person providing the answers to these interrogatories.

ANSWER: Karol Sole  
Principal Engineer - Environmental  
United Cities Gas Company

Respectfully submitted,

By: 

James P. O'Brien  
Attorney for Petitioner  
Chapman and Cutler  
111 West Monroe Street  
Chicago, Illinois 60603-4080  
(312) 845-3000

State of Tennessee       )  
                                      )  
County of Williamson     )

**AFFIDAVIT OF KAROL SOLE**

Karol Sole, being first duly sworn, hereby makes oath that the matters and things contained in the foregoing Petitioner's Answers to the Commissioner's First Set of Interrogatories Propounded to Petitioner are true to the best of her knowledge, information and belief.

  
\_\_\_\_\_  
KAROL SOLE

Subscribed and Sworn to  
before me this 29<sup>th</sup> day  
of July, 1996.

  
\_\_\_\_\_  
Notary Public



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

OFFICE OF GENERAL COUNSEL  
401 Church Street  
Nashville, Tennessee 37243-1548

August 27, 1996

Mr. James O'Brien  
Attorney-at-Law  
CHAPMAN AND CUTLER  
111 West Monroe Street  
Chicago, Illinois 60603-4080

VIA FEDERAL EXPRESS

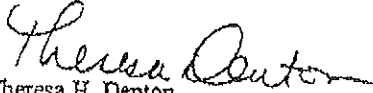
RE: United Cities Gas Company  
Petition for Declaratory Order  
Petroleum Underground Storage Board  
Case No. 94-0440

Dear Jim:

After reviewing the information you have provided in response to the previously propounded interrogatories and discussing the information with staff from the UST Division, certain additional questions arose. Attached are four (4) additional interrogatories propounded to United Cities Gas Company. Hopefully, this will provide us with sufficient information to adequately assess the issues in this case.

Thank you for your courtesy and cooperation.

Sincerely,

  
Theresa H. Denton  
Assistant General Counsel

pc: Donna Washburn/UST

hw40440d.doc

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080  
TWX 910-221-2103 Telex 206281  
FAX (312) 701-2361  
Telephone (312) 845-3000

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

October 15, 1996

**FEDERAL EXPRESS**

Theresa H. Denton, Esq.  
Assistant General Counsel  
State of Tennessee  
Department of Environment and Conservation  
Office of General Counsel  
401 Church Street  
Nashville, Tennessee 37243-1548

Re: United Cities Gas Company  
Petition for Declaratory Order  
Petroleum Underground Storage Board  
Case No. 94--0440

Dear Ms. Denton:

Enclosed please find Petitioner's Answers to Commissioner's Second Set of Interrogatories propounded to Petitioner with respect to the above-captioned matter. We apologize for the delay. Should you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

CHAPMAN AND CUTLER

By

James P. O'Brien

JPO/jp  
Enclosures  
cc: Ms. Karol Sole

549711.01.01  
142495-1 (JPO)

C O P Y

**STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

IN THE MATTER OF:	DIVISION OF UNDERGROUND STORAGE TANKS
UNITED CITIES GAS COMPANY	CASE NO. 94-0440
FACILITY NO. 5-940198	
Petitioner.	

**PETITIONER'S ANSWERS TO COMMISSIONER'S  
SECOND SET OF INTERROGATORIES  
PROPOUNDED TO PETITIONER**

NOW COMES United Cities Gas Company, by and through its attorneys, and pursuant to Rule 33 of the Tennessee Rules of Civil Procedure, hereby provides these answers to the Commissioner's Second Set of Interrogatories Propounded to Petitioner:

1. When United Cities Gas Company purchased site facility #5-940198 in December 1988, describe any product in the tank at the date of purchase, including the type and volume of product.

**ANSWER:** United Cities Gas Company ("*United Cities*") is not certain as to the type and volume of product in the tank when the property was purchased. United Cities employee James A. "Alton" King (Franklin Construction Superintendent) recalls that at the time United Cities purchased the property in December 1988, the pumps were turned on and petroleum product did come out of it. This product was never used by United Cities, and United Cities has no documentation or additional information.

2. When United Cities Gas Company registered the tank at site facility #5-940198 in April 1988, describe any product in the tank at the date of purchase, including the type and volume of product.

**ANSWER:** United Cities registered facility #5-940198 on or about April 10, 1989. The "Notification for Underground Storage Tanks" indicates that diesel fuel was the product last stored in the tank. United Cities has no other information about the products in the tank, including the volume of product in the tank.



3. With regard to the condition of the tank at the site at the time was removed from the ground in July 1994, please provide the following information:

- a. Was the tank corroded?
- b. Were there pitting on the surface of the tank?
- c. Were there holes in the tank?
- d. What was the condition of the associated piping?

ANSWER: a, b, c. According to the "UST Closure Report" prepared by SPATCO August 16, 1994. "Following removal from the tank-hold, the UST was visually inspected for corrosion, perforations, and product seepage. The 8,000 gallon UST appeared to be in good condition with no product seepage."

d. According to the "UST Closure Report" prepared by SPATCO August 16, 1994, "However, staining and moisture with a hydrocarbon odor were noticed around the product line under the pump island." The report contained no comment regarding the condition of the product lines, and United Cities has no other information about the product lines.

4. Describe any type of release detection used on the tank from December 22, 1993 until permanent closure on July 27, 1994.

ANSWER: United Cities has no information about the type of release detection used on the tank from December 22, 1993 until permanent closure on July 27, 1994.

5. Please state the name and job title of the person or persons providing the answers to these interrogatories.

ANSWER: Karol A. Sole  
Principal Engineer - Environmental  
United Cities Gas Company

Respectfully submitted,

By: 

James P. O'Brien  
Attorney for Petitioner  
Chapman and Cutler  
111 West Monroe Street  
Chicago, Illinois 60603-4080  
(312) 845-3000

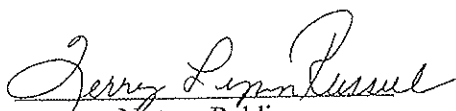
State of Tennessee       )  
                                      )  
County of Williamson     )

**AFFIDAVIT OF KAROL SOLE**

Karol Sole, being first duly sworn, hereby makes oath that the matters and things contained in the foregoing Petitioner's Answers to the Commissioner's Second Set of Interrogatories Propounded to Petitioner are true to the best of her knowledge, information and belief.

  
\_\_\_\_\_  
KAROL SOLE

Subscribed and Sworn to  
before me this 14<sup>th</sup> day  
of October, 1996.

  
\_\_\_\_\_  
Notary Public

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

111 West Monroe Street, Chicago, Illinois 60603-4080  
TWX 910-221-2103 Telex 206281  
FAX (312) 701-2361  
Telephone (312) 845-3000

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

November 5, 1996

FEDERAL EXPRESS

Bill McCabe  
Registered Professional Geologist  
Division of Underground Storage Tanks  
Department of Environment and Conservation  
Nashville Environmental Field Office  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

Re: Release Response and Corrective Action  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility ID #5-940198, Williamson County

Dear Mr. McCabe:

We represent United Cities Gas Company ("*United Cities*") with respect to the above-captioned site. As you may know, United Cities has appealed the Fund eligibility decision of the Department to the Underground Storage Tank Board in *In Re United Cities Gas Company*, Case No. 94 0440, Department of Environment and Conservation, State of Tennessee. We have provided requested information to the Department's counsel pertaining to Fund eligibility, including a closure report which we provided yesterday. We understand from the Department's counsel that the Department is considering this information as it reviews the Fund eligibility decision.

On or about July 18, 1996, the Department extended the time in which United Cities was required to submit certain information, including the submittal of the Environmental Assessment Report ("*EAR*") which was extended to and including November 15, 1996. United Cities, as well as the Department, expected that the Fund eligibility issue would have been resolved within the time necessary to undertake the work necessary to timely submit the EAR. United Cities regrets any delay.

Since the approach at the above-captioned site may differ depending upon Fund eligibility, United Cities would like an opportunity to work with the Department and its counsel to conclude that matter. United Cities respectfully requests an extension of both due

555698.01.02  
142495-1 (JPO)

C O P Y

Law Offices of  
CHAPMAN AND CUTLER

Bill McCabe, R.P.G.  
Division of Underground Storage Tanks  
Department of Environment and Conservation  
November 5, 1996  
Page 2

dates in order to have an opportunity to resolve Fund eligibility. In the event that the site is Fund eligible, then United Cities requests that the date to install the initial soil borings and monitoring wells be extended to and including January 15, 1997. Regardless of whether the site is Fund eligible, United Cities requests that the date to submit the EAR be extended to and including February 15, 1997.

We appreciate your consideration of this matter, and we look forward to working with the Department to conclude these issues.

Very truly yours,

CHAPMAN AND CUTLER

By 

James P. O'Brien

JPO/jp

cc: Tennessee Department of Underground Storage Tanks  
Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1541

Ms. Karol Sole

C O P Y



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

November 8, 1996

**CERTIFIED MAIL**  
Z 004 257 373

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37027

RE: Release Response and Corrective Action  
Second Extension Request  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has received the above referenced request from Chapman and Cutler dated November 7, 1996. The Division grants an extension of the original submittal date, which was July 3, 1996 for the installation of soil borings and monitoring wells and September 16, 1996 for the Environmental Assessment Report (EAR).

**The new due date for the installation of the initial soil borings and monitoring wells will be January 15, 1997.**

**The new due date for the EAR shall be submitted by February 15, 1997.**

If you have any questions concerning this correspondence, call (615)650-7278.

Sincerely,

A handwritten signature in cursive script, reading "Bill McCabe", is written over a horizontal line.

Bill McCabe, P.G.  
Division of Underground Storage Tanks

c: Nashville UST Central Office - Technical Review Section  
Nashville UST Field Office - Case File

FO-NFO55e/wcm/94019811.086



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

January 7, 1997

**CERTIFIED MAIL**  
Z 004 257 367

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37207

RE: Release Response and Corrective Action  
Third Extension Request - Unapproved  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamsom County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has received the above referenced request from Chapman and Cutler dated January 6, 1997. The Division **denies** an extension of the submittal dates.

**The due date for the installation of the initial soil borings and monitoring wells is January 15, 1997.**

**The due date for the Environmental Assessment Report shall be submitted by February 15, 1997.**

If you have any questions concerning this correspondence, call (615)650-7278.

Sincerely,

A handwritten signature in cursive script that reads "Bill McCabe".

Bill McCabe, P.G.  
Division of Underground Storage Tanks

c: Nashville UST Central Office - Technical Review Section  
Nashville UST Field Office - Case File

FO-NFO55e/wcm/94019801.077

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
1879-1959

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TWX 910-221-2103 Telex 206281  
FAX (312) 701-2361  
Telephone (312) 845-3000

2 North Central Avenue  
Phoenix, Arizona 85004  
(602) 256-4060

50 South Main Street  
Salt Lake City, Utah 84144  
(801) 533-0066

January 14, 1997

FEDERAL EXPRESS

Mr. Bill McCabe  
Registered Professional Geologist  
Division of Underground Storage Tanks  
Department of Environment and Conservation  
Nashville Environmental Field Office  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

Re: Release Response and Corrective Action  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility ID #5-940198, Williamson County

Dear Mr. McCabe:

We represent United Cities Gas Company ("*United Cities*") with respect to the above-captioned site. As you know, on January 3, 1997, we requested an extension of time in which to submit certain information to the Division of Underground Storage Tanks ("*Division*"). On or about January 10, 1997, we received the Division's denial of our request to extend certain deadlines.

We understand that you have had an opportunity to speak with United Cities personnel about the date on which contractors are available to commence the on site work. In that regard, on behalf of United Cities we request that the Division extend the time in which United Cities must commence installation of the soil borings and monitoring wells to and including January 28, 1997, and to set an appropriate deadline for the submittal of the environmental assessment report which will include information from that work.

577230.01.01  
142495-1 (JPO)

C O P Y

Law Offices of  
CHAPMAN AND CUTLER

Mr. McCabe  
January 14, 1997  
Page 2

We appreciate your consideration of this matter, and look forward to working with the Division to resolve this matter.

Very truly yours,

CHAPMAN AND CUTLER

By 

James P. O'Brien

cc: Tennessee Department of Underground Storage Tanks  
Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1541

✓ Ms. Karol Sole

C O P Y





STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

OFFICE OF GENERAL COUNSEL  
401 Church Street  
Nashville, Tennessee 37243-1548

January 14, 1997

Mr. James O'Brien  
Attorney-at-Law  
CHAPMAN AND CUTLER  
111 West Monroe Street  
Chicago, Illinois 60603-4080

VIA FACSIMILE TRANSMISSION

RE: United Cities Gas Company  
Petition for Declaratory Order  
Petroleum Underground Storage Board  
Case No. 94-0440

Dear Jim:

I discussed this matter with Donna Washburn of the UST Division. After reviewing all the additional information sent by your client, the Division is still of the opinion that the site is not Fund eligible. Ms. Washburn was in agreement with the denial of an extension and further pointed out that any necessary clean-up at the site should not be dependent upon whether or not the site may be Fund eligible.

Please call if you have any other questions, also let me know if you are ready to move forward and set this matter for hearing.

Sincerely,

A handwritten signature in cursive script, appearing to read "Theresa H. Denton".

Theresa H. Denton  
Assistant General Counsel

pc: Donna Washburn/UST

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STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

January 16, 1997

**CERTIFIED MAIL**  
P 115 994 800

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37207

RE: Initial Site Characterization Report (ISCR)  
Extension Request  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamsom County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has received the above referenced request from Chapman and Cutler dated January 15, 1997. The Division grants an extension of the original submittal date of July 3, 1996 for the installation of the initial four (4) soil borings and monitoring wells. However, since the environmental assessment has not been conducted, all future activities shall follow the August 1, 1996 Reference Handbook. Therefore, the ISCR shall be submitted by April 18, 1997.

If you have any questions concerning this correspondence, call (615)650-7278.

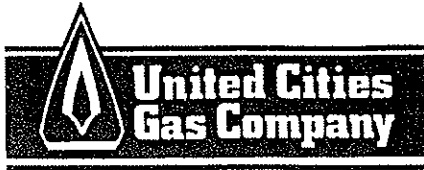
Sincerely,

A handwritten signature in cursive script that reads "Bill McCabe".

Bill McCabe, P.G.  
Division of Underground Storage Tanks

c: Nashville UST Central Office - Technical Review Section  
Nashville UST Field Office - Case File

FO-NFO55e/wcm/94019801.167



February 20, 1998

Mr. Bill McCabe  
TDEC-UST Division  
Nashville Field Office  
537 Brick Church Park Dr.  
Nashville, TN 37243-1550

**RE: Comprehensive Monitoring Report  
United Cities Gas Company  
118 Second Ave. North  
Franklin, TN  
Facility I.D. # 5-940198  
Williamson County**

Dear Mr. McCabe:

Enclosed please find a Comprehensive Monitoring Report ("*CMR*") for the above referenced facility. On December 2, 1997, United Cities collected water level measurements and groundwater samples at the site in accordance with the CMR guidelines. The CMR was prepared in anticipation of approval of monitoring only status at the site.

On April 14, 1997, United Cities Gas Company ("*United Cities*") submitted an Initial Site Characterization Report ("*ISCR*") to the Division of Underground Storage Tanks ("*Division*"). Based on the results of the ISCR, United Cities requested monitoring only status be applied to the site. As of the date of this letter, United Cities has not received comments from the Division on the ISCR or the monitoring only status. United Cities requests the Division approve the ISCR and monitoring only status.

Results of the CMR indicate that petroleum contamination remains in the immediate vicinity of the former diesel UST pit. Specifically, wells MW-4 and MW-5 exceed the Division's non-drinking water regulatory level of 1.0 mg/l for TPH in groundwater. A decrease in benzene and TPH concentrations was observed in all wells except MW-5.

If you have any questions concerning this project, please call me at 373-0104 ext. 405.

Sincerely,

Stuart Schulz, RPG  
Project Geologist

cc: TDEC-DUST Central Ofc.  
Dan Lindsey  
Karol Sole

Encl.



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

March 5, 1998

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37207

RE: Site Status Monitoring  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the Initial Site Characterization Report dated April 18, 1997 and Comprehensive Monitoring Report dated February 24, 1998 for the above referenced facility. **UCG Company** shall monitor wells **MW-4** and **MW-5** in accordance with the Technical Guidance Document (TGD)-007, Section II.B.2.

The next Site Status Monitoring Report shall be due by **JULY 2, 1998.**

Send one copy of all correspondence, including reports, to this office and one copy to:

Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Tennessee Department of Environment and Conservation  
Nashville, Tennessee 37243-1541

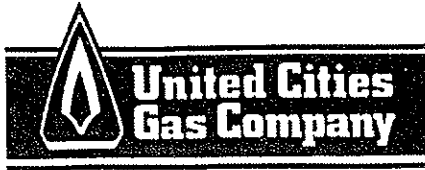
If you have any questions concerning this correspondence, call (615)650-7278.

Sincerely,

A handwritten signature in cursive script, reading "Bill McCabe", is written over a horizontal line.

Bill McCabe, P.G.  
Division of Underground Storage Tanks

c: Nashville UST Central Office - Technical Review Section  
Nashville UST Field Office - Case File  
FO-106/wcm/94019803.058



June 30, 1998

Mr. Bill McCabe  
TDEC-UST Division  
Nashville Field Office  
537 Brick Church Park Dr.  
Nashville, TN 37243-1550

**RE: Site Status Monitoring Report  
United Cities Gas Co.  
118 Second Avenue North  
Franklin, TN  
Facility I.D. # 5-940198  
Williamson County**

Dear Mr. McCabe:

Enclosed please find the Site Status Monitoring Report for the above referenced facility. As requested in your letter dated March 5, 1998, United Cities Gas Company ("*United Cities*") sampled monitoring wells MW-4 and MW-5 in accordance with Technical Guidance Document (TGD)-007, Section II.B.2.

Results of the most recent sampling indicate with the exception of benzene in MW-4 reductions in benzene and TPH in both wells. Benzene and TPH concentrations were detected below DUST clean-up levels in MW-5. Benzene and TPH concentrations were detected above DUST clean-up levels in MW-4.

If you have any questions please call me at (615) 373-0104 ext. 405.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stuart Schulz", is written over a horizontal line.

Stuart Schulz, RPG  
Project Geologist

cc: TDEC-DUST Central Ofc.  
Dan Lindsey  
Karol Sole

Enclosures



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
NASHVILLE ENVIRONMENTAL FIELD OFFICE  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550

July 8, 1998

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37207

RE: Site Status Monitoring  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the Site Status Monitoring Report (SSMR) dated July 1, 1998 for the above referenced facility. The SSMR documents that the ground water from well MW-4 had 0.1035 ppm benzene and 1.02 ppm TPH-GRO. Both are above the site's applicable cleanup levels. **UCG Company** shall monitor wells **MW-4** and **MW-5** in accordance with the Technical Guidance Document (TGD)-007, Section II.B.2.

The next Site Status Monitoring Report shall be due by JANUARY 25, 1999.

Send one copy of all correspondence, including reports, to this office and one copy to:

Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1541

If you have any questions concerning this correspondence, call (615)650-7278.

Sincerely,

A handwritten signature in cursive script that reads "Bill McCabe".

Bill McCabe, P.G.  
Environmental Specialist  
Division of Underground Storage Tanks

c: Nashville UST Central Office - Technical Review Section  
Environmental Assistance Center - UST Case File

FO-106/wcm/94019807.088



## TVG ENVIRONMENTAL, INC.

---

January 22, 1999

Mr. Bill McCabe  
TDEC - TDUST  
Nashville Field Office  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

**Re: Site Status Monitoring Report #3  
United Cities Gas Company  
118 Second Avenue North, Franklin, TN  
Facility I.D. # 5-940198**

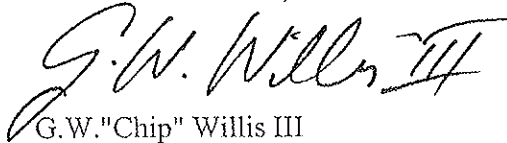
Dear Bill:

Enclosed is the Third Site Status Monitoring Report for the above referenced project.

Two groundwater monitoring wells were sampled at the subject site on January 5, 1999. Results indicate that contaminant levels are declining. Laboratory reports were prepared by Specialized Assays and the original report sheets are attached to this report.

If you have any questions concerning this project, or if you require additional information, please do not hesitate to contact me anytime.

Sincerely,  
TVG Environmental, Inc.



G.W. "Chip" Willis III  
Project Manager

cc: Mr. Stuart Schulz  
Central TDUST Office



**ENVIRONMENTAL ASSISTANCE CENTER**  
TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550  
PHONE (615) 226-6918 STATEWIDE 1-888-891-8332 FAX (615) 650-7301

January 26, 1999

Mr. Stuart Schulz  
UCG Company  
5300 Maryland Way  
Brentwood, TN 37207

RE: Site Status Monitoring  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the Site Status Monitoring Report (SSMR) dated on January 25, 1999. The SSMR documents that the ground water from wells MW-4 and MW-5 had concentrations of EPH below the applicable cleanup level. Therefore, the status of the facility will be changed from Monitoring Only to Closure Monitoring.

The next Comprehensive Monitoring Report shall be due on MAY 5, 1999.

Send one copy of all correspondence, including reports, to this office and a copy to:

Division of Underground Storage Tanks  
401 Church Street, 4th Floor, L & C Tower  
Nashville, Tennessee 37243-1541

If you have any questions concerning this correspondence, please call (615) 650-7278.

Sincerely,

Bill McCabe, P.G.  
Environmental Specialist  
Division of Underground Storage Tanks

cc: Nashville UST Central Office, Technical Review Section  
Nashville EAC - UST File

FO-NFO106/wcm/94019801.269



**FILE****BAKER & MCKENZIE**

ATTORNEYS AT LAW

**EUROPE  
MIDDLE EAST**

ALMATY  
AMSTERDAM  
BARCELONA  
BERLIN  
BRUSSELS  
BUDAPEST  
CAIRO  
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ROME  
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TAIPEI  
TOKYO

ONE PRUDENTIAL PLAZA  
130 EAST RANDOLPH DRIVE  
CHICAGO, ILLINOIS 60601  
TELEPHONE (312) 861-8000  
FACSIMILE (312) 861-2899

**NORTH AND  
SOUTH AMERICA**

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SANTIAGO  
SAO PAULO  
TIJUANA  
TORONTO  
VALENCIA  
WASHINGTON, D.C.

JAMES P. O'BRIEN  
(312) 861-7588

March 26, 1999

VIA FACSIMILE (615) 532-0145

Theresa H. Denton  
Assistant General Counsel  
Department of Environment and Conservation  
25<sup>th</sup> Floor, William R. Snodgrass Building  
312 Eighth Avenue, North  
Nashville, Tennessee 37243-1548

**RE: United Cities Gas Company  
Petition for Declaratory Order  
Petroleum Underground Storage Board  
Case No. 94-0440**

Dear Theresa:

As you know, we represent United Cities Gas Company with respect to the above-captioned Petition For Declaratory Order concerning an underground storage tank. Please be advised that United Cities Gas Company is withdrawing the Petition For Declaratory Order, and that this matter may be dismissed.

If appropriate, I will prepare an appropriate pleading before the Petroleum Underground Storage Tank Board in order to accomplish this withdrawal.

We appreciate your consideration to this matter. Should you have any questions, please do not hesitate to contact the undersigned.

Very truly yours

BAKER &amp; MCKENZIE

By:

  
James P. O'Brien

JPO/dk

cc: Ms. Karol Sole  
Mr. Douglas A. Walther



# TVG ENVIRONMENTAL, INC.

TAYLOR ~ VAUGHN ~ GREENE

---

May 5, 1999

Mr. Bill McCabe  
TDEC - TDUST  
Nashville Field Office  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

**Re: Comprehensive Monitoring Report #1  
United Cities Gas Company  
118 Second Avenue North, Franklin, TN  
Facility I.D. # 5-940198**

Dear Bill:

Enclosed is the First Quarter Closure Monitoring Report for the above referenced project.

Four of the site's five groundwater monitoring wells were sampled at the subject site on April 23, 1999. The well identified as MW-1 did not contain enough groundwater to purge at the time of sampling. The results were consistent with previous data and suggest that the groundwater contaminant levels remain below the non-drinking water requirements. Laboratory reports were prepared by Specialized Assays and the original report sheets are attached to this report.

If you have any questions concerning this project, or if you require additional information, please do not hesitate to contact me anytime.

Sincerely,  
TVG Environmental, Inc.

G.W. "Chip" Willis III  
Project Manager

cc: Mr. Stuart Schulz  
Central TDUST Office



**ENVIRONMENTAL ASSISTANCE CENTER**  
TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550  
PHONE (615) 226-6918 STATEWIDE 1-888-891-8332 FAX (615) 650-7301

May 12, 1999

Mr. Stuart Schulz  
UCG Company  
810 Crescent Centre Drive  
Suite 600  
Franklin, TN 37067-6226

RE: Comprehensive Monitoring Report  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the Comprehensive Monitoring Report #1 (CMR) dated on May 11, 1999. The CMR documents that the ground water from each of the monitoring wells had concentrations of EPH below the applicable cleanup level.

The Second Quarter Site Status Monitoring Report shall be due on **AUGUST 23, 1999**. Monitoring wells **MW-4** and **MW-5** shall be sampled for both the Second and Third Quarter sampling events.

Send one copy of all correspondence, including reports, to this office and a copy to:

Division of Underground Storage Tanks  
401 Church Street, 4th Floor, L & C Tower  
Nashville, Tennessee 37243-1541

If you have any questions concerning this correspondence, please call (615) 650-7278.

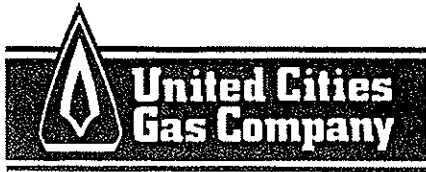
Sincerely,

A handwritten signature in cursive script, reading "Bill McCabe", is written over a horizontal line.

Bill McCabe, P.G.  
Division of Underground Storage Tanks

cc: Nashville UST Central Office, Technical Review Section  
Nashville EAC - UST File

FO-NFO106/wcm/94019805.129



August 19, 1999

Mr. Bill McCabe  
TDEC – Environmental Assistance Center  
537 Brick Church Park Drive  
Nashville, TN 37243-1550

**RE: Second Quarter Closure Monitoring Report  
118 Second Avenue North  
Franklin, TN  
UST I.D. # 5-940198  
Williamson County**

Dear Mr. McCabe:

Enclosed please find the Second Quarter Closure Monitoring Report for the above referenced location. Analytical results from MW-4 and MW-5 indicated a slight increase in total petroleum hydrocarbons from the last quarterly report. MW-4, located adjacent to the former diesel UST, exceeds the TDEC non-drinking water limit for TPH.

It is United Cities' desire to continue with quarterly closure monitoring and observe the concentration change in these wells during the next sampling event.

If you have any questions please call me at (615) 771-8405.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RPG  
Project Geologist

Enclosure – Second Quarter Closure Report



ENVIRONMENTAL ASSISTANCE CENTER  
TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
537 BRICK CHURCH PARK DRIVE  
NASHVILLE, TENNESSEE 37243-1550  
PHONE (615) 226-6918 STATEWIDE 1-888-891-8332 FAX (615) 650-7301

September 14 1999

Mr. Stuart Schulz  
UCG Company  
810 Crescent Centre Drive  
Suite 600  
Franklin, TN 37067-6226

RE: Closure Monitoring Report #2  
United Cities Gas Company  
118 Second Avenue North  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the Closure Monitoring Report #2 (CMR) dated on August 25, 1999. The CMR documents that the ground water from monitoring well MW-4 had concentrations of EPH slightly above the applicable cleanup level.

The Third Quarter Site Status Monitoring Report shall be due on **NOVEMBER 21, 1999**. Monitoring wells **MW-4** and **MW-5** shall be sampled for the Third Quarter sampling events.

Send one copy of all correspondence, including reports, to this office and a copy to:

Division of Underground Storage Tanks  
401 Church Street, 4th Floor, L & C Tower  
Nashville, Tennessee 37243-1541

If you have any questions concerning this correspondence, please call (615) 650-7278.

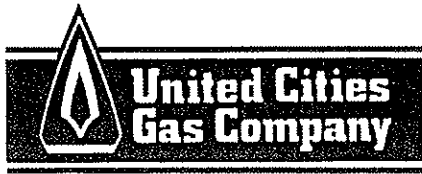
Sincerely,

A handwritten signature in cursive script, reading "Bill McCabe", is written over a horizontal line.

Bill McCabe, P.G.  
Division of Underground Storage Tanks

cc: Nashville UST Central Office, Technical Review Section  
Nashville EAC - UST File

FO-NFO106/wcm/94019805.129



November 22, 1999

Mr. Bill McCabe  
TDEC-Environmental Assistance Center  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

**RE: Third Quarter Closure Monitoring Report**  
**118 Second Avenue North**  
**Franklin, TN**  
**UST ID # 5-940198, Williamson County**

Dear Mr. McCabe:

Enclosed please find the Third Quarter Closure Monitoring Report for the above referenced location. Two of the sites five groundwater monitoring wells were sampled on November 2, 1999. Analytical tests for the second time indicate a slight increase in both benzene and total petroleum hydrocarbons in both wells. The well adjacent to the former diesel UST pit (MW-5) exceeds the TDEC non-drinking water limit for TPH.

Although the reason for the slight increase in both wells is unknown, it should be noted that water levels in both wells are lower this year compared to last year at the same time.

United Cities requests that Closure Monitoring continue. If you have any questions please call me at (615) 771-8405 or Mr. Chip Willis at (615) 292-6252.

Sincerely,

A handwritten signature in cursive script that reads "Stuart Schulz".

Stuart Schulz, RPG  
Project Geologist

Enclosure



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
**DIVISION OF UNDERGROUND STORAGE TANKS**

Nashville Environmental Assistance Center  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

November 30, 1999

Mr. Stuart Schulz  
United Cities Gas Company  
810 Crescent Drive, Suite 600  
Franklin, TN 37067-6226

RE: Closure Monitoring Report #3  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the Closure Monitoring Report #3 dated on November 23, 1999. The report documents that contamination in Monitoring Well #4 now exceeds the Divisions applicable cleanup levels. However, the Division will allow United Cities Gas Company to remain in closure monitoring.

A split-sampling event should be scheduled with Division personnel in January of 2000. The Comprehensive Monitoring Report shall be due on **February 23, 2000**.

Send one copy of all correspondence, including reports, to this office and a copy to:

Division of Underground Storage Tanks  
401 Church Street, 4th Floor, L & C Tower  
Nashville, Tennessee 37243-1541

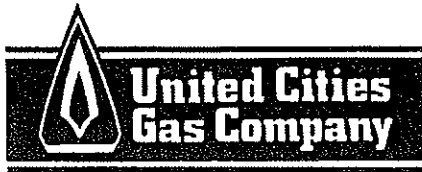
If you have any questions concerning this correspondence, please call (615) 650-7275.

Sincerely,

Mark P. Bare  
Geologist  
Division of Underground Storage Tanks

cc: Nashville UST Central Office, Technical Review Section  
Nashville UST Field Office

FO-NFO106/mpb/94019811.309



February 23, 2000

Mr. Mark Bare  
TDEC-Division of UST  
Environmental Assistance Center-Nashville  
537 Brick Church Park Drive  
Nashville, TN 37243-1550

**RE: Closure Monitoring Report #4 and TGD #015  
United Cities Gas Company  
118 Second Ave. North  
Franklin, TN  
Facility I.D. # 5-940198  
Williamson County**

Dear Mr. Bare:

Enclosed please find the fourth quarter Closure Monitoring Report for the above referenced site. As requested, United Cities Gas Company ("*United Cities*") also completed Technical Guidance Document 015 to determine if the site qualifies for closure. Based on the results of both analyses, the site does not qualify for closure at this time.

Groundwater analysis results from MW-4 indicated 1.84 ppm total petroleum hydrocarbons ("*TPH*"), which exceeds the TPH regulatory limit in non-drinking water of 1.0 ppm. The primary constituents of the TPH result were gasoline range organics. Benzene concentrations in all monitoring wells were below the regulatory limit in non-drinking water of 0.70 ppm.

Results of the TGD-015 analysis indicated a theoretical groundwater TPH concentration of 5.693 ppm at the point of compliance. The point of compliance was identified as the southwest corner of the Henry Well Drilling Company building, which is located approximately eighty feet east of the former UST pit. The actual groundwater TPH concentration at the point of compliance, based on analytical results from monitoring well MW-2, is approximately 0.38 ppm, which is less than the regulatory limit of 1.0 ppm. MW-2 is located approximately 30 feet west and hydraulically upgradient of the point of compliance. Based on this information, United Cities does not consider the results generated by TGD-015 representative of actual site conditions.

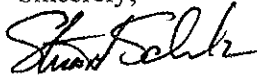


Page 2  
Mr. Mark Bare  
TDEC-DUST  
February 23, 2000

Based on the discussion of the fourth quarter closure monitoring results and TGD-015 given above, United Cities requests that the site be placed back into closure monitoring. United Cities is currently evaluating interim measure that could be implemented to enhance the natural attenuation that is believed to be occurring at the site.

If you have any questions please contact me at 615-771-8405 or via e-mail at [stuart.schulz@unitedcitiesgas.com](mailto:stuart.schulz@unitedcitiesgas.com).

Sincerely,



Stuart Schulz, RPG  
Project Geologist

cc: Dan Lindsey  
Karol Sole  
Chip Willis III - TVG  
UST Central Office

Enclosure: Closure Monitoring Report #4 and TGD-015



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
**DIVISION OF UNDERGROUND STORAGE TANKS**  
Nashville Environmental Assistance Center  
537 Brick Church Park Drive  
Nashville, Tennessee 37243-1550

February 28, 2000

Mr. Stuart Schulz  
United Cities Gas Company  
810 Crescent Drive, Suite 600  
Franklin, TN 37067-6226

RE: Case Closure  
United Cities Gas Company  
118 Second Avenue North, Franklin  
Facility ID # 5-940198, Williamson County

Dear Mr. Schulz:

The Division of Underground Storage Tanks has reviewed the TGD-015 dated February 23, 2000 for the above referenced facility. On Friday, February 25, 2000 Division personnel checked the distance from MW-4 to the point of compliance. A measurement of 83 feet was obtained. This brought the projected contamination concentration at the point of compliance below the Division's applicable clean-up levels. Based on the information available, this case is considered closed. However, the Division reserves the right to require additional action if necessary. Please be advised that the Division of Solid/Hazardous Waste also has an on-going case at this facility and the Monitoring Wells should not be abandoned. All future correspondence should be directed to:

Division of Solid/Hazardous Waste  
5th Floor, L&C Tower  
401 Church Street  
Nashville, TN 37243-1535  
615-532-0780

If you have any questions concerning this correspondence, call (615) 650-7275.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark P. Bare", with a stylized flourish at the end.

Mark P. Bare  
Geologist  
Division of Underground Storage Tanks

c: UST Central Office - Technical Review Section  
Nashville Environmental Assistance Center UST Files



April 20, 2000

Mr. Mark Brooks  
Division of Solid Waste  
5<sup>th</sup> Floor, L&C Tower  
401 Church Street  
Nashville, TN 37243-1535

**RE: United Cities Gas Company  
118 Second Avenue North, Franklin, TN  
Facility ID # 4-940198, Williamson County**

Dear Mr. Brooks:

During the preparation of Technical Guidance Document 015 ("*TGD-015*") for the above referenced site, United Cities Gas Company ("*United Cities*") identified the need to update soil chemical concentrations at the site so that current conditions are reflected in the TGD-015 analysis for the unregulated gasoline release.

Therefore, United Cities plans to collect at least two additional soil samples from the area of concern on Wednesday, April 26, 2000. Sampling is scheduled to begin at Noon, local time. Analytical results from these new soil samples will be used to prepare TGD-015.

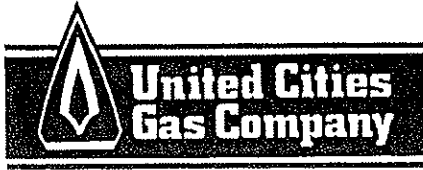
If you have any questions please contact me at 615-771-8405 or by e-mail at [stuart.schulz@unitedcitiesgas.com](mailto:stuart.schulz@unitedcitiesgas.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Schulz", written over a horizontal line.

Stuart Schulz, RG  
Project Geologist

cc: Karol Sole  
Chip Willis - TVG



June 28, 2000

Mr. Mark Brooks  
Tennessee Department of Environment and Conservation  
Division of Solid Waste - Remediation Section  
L&C Tower, 5<sup>th</sup> Floor  
401 Church Street  
Nashville, TN 37243-1535

**RE: Soil Monitoring Report and TGD #015**  
**United Cities Gas Company**  
**118 Second Ave. North, Franklin, TN**  
**UST Facility ID# 5-940198, Williamson County**

Dear Mr. Brooks:

United Cities Gas Company ("*United Cities*") is submitting the enclosed Soil Monitoring Report and Technical Guidance Document ("*TGD*") #015 reflecting the current conditions at the above referenced site with respect to soil contamination that resulted from a former unregulated gasoline underground storage tank. As you are aware, the regulatory oversight for this site was transferred from the Division of Underground Storage Tanks ("*DUST*") to the Division of Solid Waste ("*DSW*") on February 28, 2000. A brief summary of the site history is given below to bring DSW up to date with actions at the site.

Regulatory activity began at the site in July 1994, when United Cities notified DUST of a petroleum release at the above referenced site during the permanent closure of a regulated 8,000-gallon diesel underground storage tank ("*UST*"). Petroleum contamination consisting of diesel and gasoline range compounds was identified in closure samples. A review of historical documents revealed that an unregulated 1,000-gallon gasoline UST had been removed from the property prior to December 31, 1988, and United Cities' ownership of the property, and that the diesel and gasoline tanks had shared a common dispenser located adjacent to the diesel UST.

Two attempts were made to abate the release of petroleum in the immediate vicinity of the former diesel UST in November 1994, and April 1996, by excavating approximately 134 cubic yards and 45 cubic yards, respectively of petroleum impacted soil (179 cubic yards total). During the over excavation attempts it was noted that soil from 0 to 10 feet was not impacted and that the highest concentrations of petroleum contamination were present at the soil bedrock interface that ranged from 14 to 18 feet depth.

In January 1997, United Cities installed four monitoring wells and in April 1997, submitted an Initial Site Characterization Report ("*ISCR*") to DUST. Results of the ISCR indicated that the site qualified for non-drinking water status and had a site ranking score of 343. At that time United Cities requested that the site be placed in monitoring only status. A monitoring only program was approved by DUST and started in February 1997. From February 1997, until February 2000, United Cities conducted quarterly groundwater monitoring at the site. In general, benzene and total petroleum hydrocarbon concentrations were observed to decrease during this monitoring period.

Page 2  
Mr. Mark Brooks  
June 28, 2000

On February 28, 2000, United Cities received notice from DUST that results of TGD #015 indicated the projected concentration of diesel range organics at the point of compliance located 83 feet down gradient of the release were below the applicable cleanup levels. Therefore, DUST considered the site closed with respect to the regulated diesel tank. However, the notice further stated that the site was being turned over to DSW with respect to the contamination resulting from the former unregulated gasoline UST.

In March 2000, United Cities contacted DSW concerning the transfer of the regulatory oversight and future actions at the site. At that time, it was decided that the site should be reevaluated by TGD #015 for benzene and total petroleum hydrocarbons-gasoline range organics ("TPH") only, i.e., contamination attributed only to the gasoline UST. During the preparation of TGD #015, the need for more recent soil analysis was identified and on May 24, 2000, additional soil samples were collected from the release point. The results of the soil monitoring event and the reevaluation of TGD #015 are provided in the enclosed report.

Based on the results of the most recent soil sampling event and reevaluation of TGD #015, the site does meet the DUST closure requirements for benzene but does not meet the requirement for TPH for non-drinking water status sites. The calculated concentration of TPH is 1.836, slightly higher than the cleanup level of 1.00. However, it should be noted that these projected concentrations do not match the observed concentrations in downgradient monitoring wells. For example, monitoring wells MW-2 and MW-3, located less than 20 feet and 40 feet, respectively from the point of compliance, have never had measurable concentrations of benzene or TPH.

Therefore, United Cities requests that the site be considered for closure by DSW in light of the fact that actual soil and groundwater benzene and TPH concentrations are below the cleanup levels at the point of compliance. Further, natural attenuation appears to be effectively reducing the size of the contaminant plume as evidenced by the reduction in soil and groundwater concentrations from 1994 to 2000. For example, the average soil concentration at the release point was 1,111.87 ppm in 1994. By 2000, the average soil concentration at the release point was 464.33 ppm, a reduction greater than half the original concentration. Finally, the impacted soil and groundwater at the site poses minor relative risk to potential receptors due to the small size and depth of the contaminant plume.

United Cities looks forward to your review and comment of the attached report and request for site closure. If you have any questions please contact me at 615-771-8405 or by e-mail at [stuart.schulz@unitedcitiesgas.com](mailto:stuart.schulz@unitedcitiesgas.com).

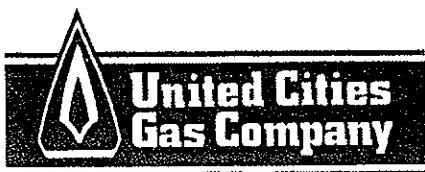
Sincerely,



Stuart Schulz, RPG  
Project Geologist

cc: Dan Lindsey  
Karol Sole  
Chip Willis - TVG

Enclosure: Soil Monitoring Report and TGD #015



July 12, 2000

Mr. Mark Brooks  
Environmental Specialist  
Tennessee Department of Environment and Conservation  
Division of Solid Waste  
5<sup>th</sup> Floor, L&C Tower  
401 Church Street  
Nashville, TN 37243-1535

**RE: United Cities Gas Company  
118 Second Avenue North  
Franklin, TN (Williamson Co.)  
Facility ID# 4-940198**

Dear Mr. Brooks:

As per our telephone conversation on Monday, July 10, 2000, United Cities Gas Company ("*United Cities*") will sample all five groundwater monitor wells at the above referenced site before August 31, 2000. All samples will be analyzed for benzene and total petroleum hydrocarbons-gasoline range organics ("*TPH-GRO*"). United Cities will notify you at least 48-hours prior to the sampling event so that you may be present during the sampling.

It is United Cities' understanding that if the analytical results are below the cleanup levels of 0.070 ppm for benzene and 1.0 ppm for TPH-GRO, that the Division of Solid Waste will consider the site closed.

You also requested additional information as to why no soil borings or wells have been drilled adjacent to the former gasoline pit. As previously mentioned, United Cities acquired the property in 1987. Prior to United Cities' ownership of the property, an unregulated gasoline tank was removed. In 1994, United Cities removed a regulated diesel tank. The former unregulated gasoline tank and regulated diesel tank shared a common fuel dispenser. During the diesel tank closure, petroleum hydrocarbon staining was noticed beneath the dispenser. The dispenser is believed to be the source of the gasoline release at the site. Therefore, the site investigation focused primarily on the

Page 2  
Mr. Mark Brooks  
July 12, 2000

former dispenser island. Two (2) soil borings and monitoring wells (SB/MW-2 and SB/MW-3) were installed down gradient of the former gasoline tank. No traces of petroleum hydrocarbons were found in either of these borings/wells. Based on these findings, United Cities does not believe the former gasoline tank was the source of petroleum contamination at the site.

Also as requested, I have enclosed a table summarizing the groundwater sampling event results for all wells at the site and a site map.

If you have any questions please do not hesitate to call me at 615-771-8405 or contact me via e-mail at [stuart.schulz@unitedcitiesgas.com](mailto:stuart.schulz@unitedcitiesgas.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Schulz". The signature is fluid and cursive, with the first name "Stuart" and last name "Schulz" clearly distinguishable.

Stuart Schulz, RPG  
Project Geologist

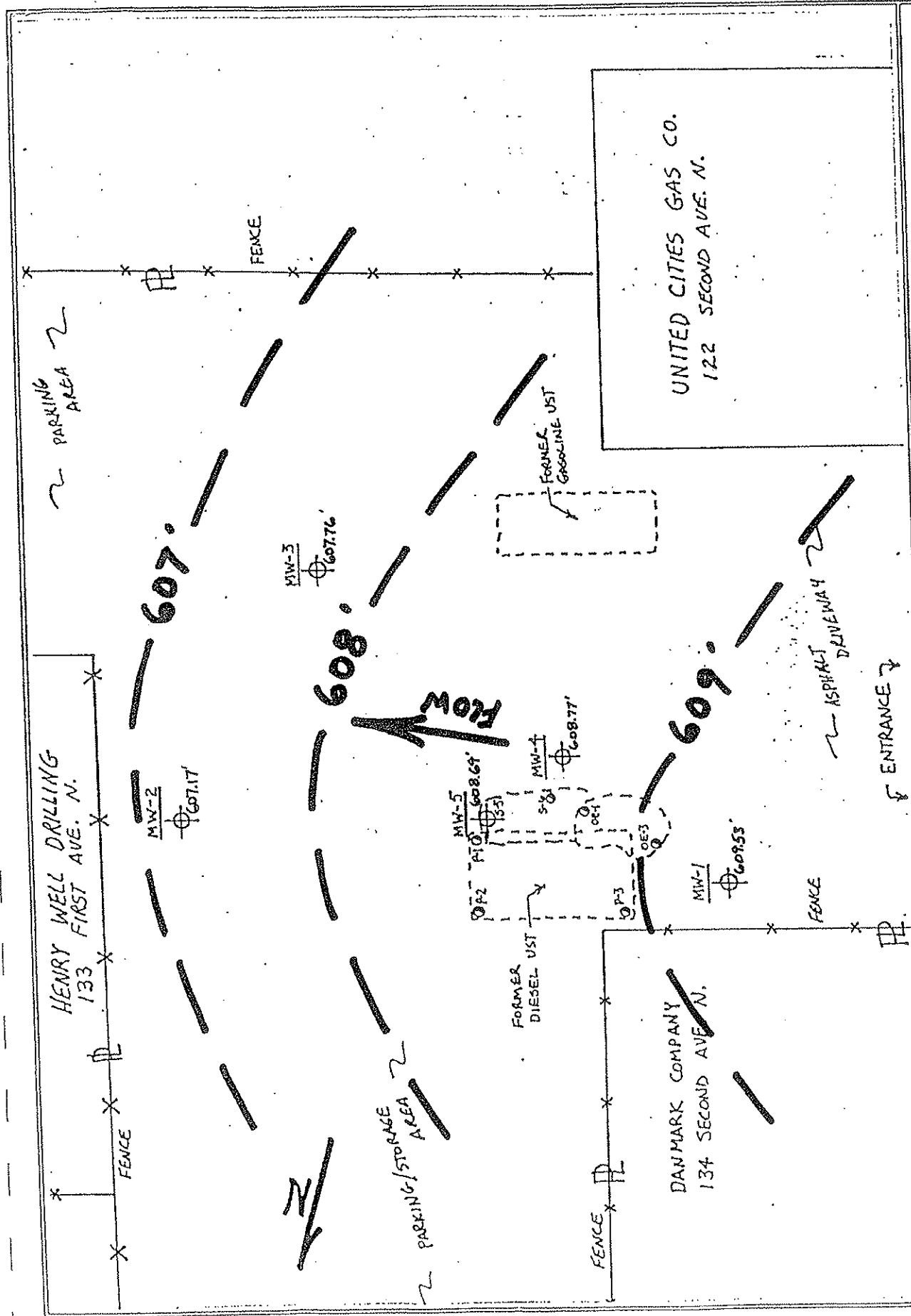
cc: Dan Lindsey  
Karol Sole  
Chip Willis - TVG

Encl.

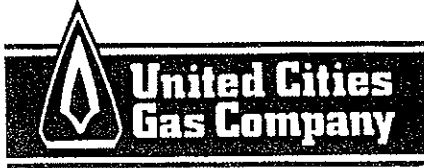
**TABLE 2**  
**SUMMARY OF GROUNDWATER ANALYTICAL RESULTS**  
**United Cities Gas Company**  
**UST ID #5-940198**

	DATE	Well Diameter	BENZENE, ppm	TPH- GRO, ppm	TPH- DRO, ppm	EPH Method, ppm	"TPH" ppm
<b>"NON DRINKING WATER"</b>							
<b>CLEAN UP LEVELS:</b>			<del>0.007</del> 0.070	1.00	1.00		1.00
MW-1	2/7/97	2 in.	<0.001	<0.1	<0.1		<0.1
MW-1	12/2/97	2 in.	<0.001	<0.1	0.13		0.13
MW-1	7/21/99	2 in.		Well Not Sampled			
MW-1	11/2/99	2 in.		Well Not Sampled			
MW-1	1/26/00	2 in.		Well Not Sampled			
MW-2	2/6/97	2 in.	<0.001	<0.1	<0.1	----	<0.1
MW-2	12/2/97	2 in.	<0.001	<0.1	<0.1	----	<0.1
MW-2	4/23/99	2 in.	<0.001	<0.1	----	<0.1	<0.1
MW-2	7/21/99	2 in.		Well Not Sampled			
MW-2	11/2/99	2 in.		Well Not Sampled			
MW-2	1/26/00	2 in.	<0.001	<0.1	----	0.38	0.38
MW-3	2/6/97	2 in.	<0.001	<0.1	<0.1		<0.1
MW-3	12/2/97	2 in.	<0.001	<0.1	<0.1		<0.1
MW-3	4/23/99	2 in.	<0.001	<0.1	----	<0.1	<0.1
MW-3	7/21/99	2 in.		Well Not Sampled			
MW-3	11/2/99	2 in.		Well Not Sampled			
MW-3	1/26/00	2 in.	<0.001	<0.1	----	<0.10	<0.10
MW-4	2/6/97	2 in.	0.130	4.52	4.03		8.55
MW-4	12/2/97	2 in.	0.070	1.48	2.22		3.70
MW-4	6/23/99	2 in.	0.1035	1.02	-----	0.86	1.88
MW-4	1/5/99	2 in.	0.0227	0.85	-----	0.50	1.35
MW-4	4/23/99	2 in.	0.0088	0.40	-----	0.77	1.17
MW-4	7/21/99	2 in.	0.017	0.48	-----	1.60	2.08
MW-4	11/2/99	2 in.	0.021	1.30	-----	1.50	2.80
MW-4	1/26/00	2 in.	0.064	1.38	-----	0.46	0.46
MW-5	2/6/97	4 in.	0.095	1.35	2.04		3.39
MW-5	1/30/98	4 in.	0.0522	1.81	2.72		4.53
MW-5	6/23/98	4 in.	0.0218	0.18	-----	0.71	0.89
MW-5	1/5/99	4 in.	0.0231	0.42	-----	0.45	0.87
MW-5	4/23/99	4 in.	0.001	<0.1	-----	0.34	0.34
MW-5	7/21/99	4 in.	<0.0005	<0.10	-----	0.46	0.46
MW-5	11/2/99	4 in.	0.0061	0.12	-----	0.49	0.61
MW-5	1/26/00	4 in.	<0.001	<0.10	-----	0.20	0.20





TVG ENVIRONMENTAL, INC.	
Drawn By: GWW	Date: 2/21/00
Approved By:	Revised:
Project Name: United Cities Gas Co. UST #5-940198	Drawing #: 97-026-03E
Drawing Title: Potentiometric Surface Map - 1/25/00	



September 5, 2000

Mr. Mark Brooks  
Environmental Specialist  
Tennessee Department of Environment and Conservation  
Division of Solid Waste  
5<sup>th</sup> Floor, L&C Tower  
401 Church Street  
Nashville, TN 37243-1535

**RE: Groundwater Monitoring Report  
United Cities Gas Company  
118 Second Avenue North  
Franklin, TN (Williamson County)  
Facility I.D. #5-940198**

Dear Mr. Brooks:

Enclosed please find the Groundwater Monitoring Report dated August 31, 2000, for the above referenced facility. As per the scope of work outlined in United Cities Gas Company's ("United Cities") letter to the Division of Solid Waste ("DSW") dated July 12, 2000, four of the five monitoring wells were sampled on August 21, 2000. Monitoring well (MW-1) was dry and was not sampled.

Analytical results indicate that concentrations of benzene and total petroleum hydrocarbons in the gasoline range were not detected in any of the four groundwater samples submitted for analysis. Based on these results, United Cities respectfully requests the DSW consider the above referenced site closed.

If you have any questions please contact me at (615) 771-8405 or via e-mail at [stuart.schulz@unitedcitiesgas.com](mailto:stuart.schulz@unitedcitiesgas.com).

Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RG  
Project Geologist

cc: Dan Lindsey  
Karol Sole  
Chip Willis - TVG

Enclosure



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
Division of Solid Waste Management  
Fifth Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1535

September 18, 2000

Mr. Stuart Schulz  
United Cities Gas Company  
810 Crescent Dr., Suite 600  
Franklin, TN 37067-6226

Re: Untied Cities Services  
118 Second Ave North Franklin, TN  
SRS-0531

Dear Mr. Schulz:

The State Remediation Program (SRP) received your September 5, 2000 letter and the attached August 31, 2000 TVG Environmental report for the above referenced facility. The TVG report summarized the August 21, 2000 sampling of MW-2, MW-3, MW-4, and MW-5, from which results for benzene and TPH-GRO were below detection limits. After reviewing this report as well as other information submitted, the SRP has determined that no further action is required at this time at this site.

If you have any questions, please feel free to contact me at (615) 532-0809.

Sincerely,

A handwritten signature in cursive script that reads "J. Mark Brooks".

J. Mark Brooks  
Environmental Specialist  
State Remediation Program/DSWM

cc: SRS-531 File



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
Division of Solid Waste Management  
Fifth Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1535

September 30, 2000

Mr. Stuart Schulz  
United Cities Gas Company  
810 Crescent Dr., Suite 600  
Franklin, TN 37067-6226

Re: Untied Cities Services  
118 Second Ave North Franklin, TN  
SRS-0531

Dear Mr. Schulz:

The State Remediation Program (SRP) received your October 19, 2000 letter for the above referenced facility. Abandonment of all monitoring wells should be conducted in accordance with TDUST's Environmental Assessment Guidelines, Section II.N.

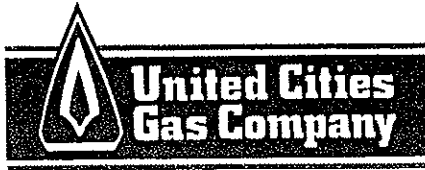
If you have any questions, please feel free to contact me at (615) 532-0809.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Mark Brooks". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

J. Mark Brooks  
Environmental Specialist  
State Remediation Program/DSWM

cc: SRS-531 File



October 19, 2000

Mr. Mark Brooks  
Environmental Specialist  
State Remediation Program  
Division of Solid Waste Management  
State of Tennessee  
Fifth Floor, L & C Tower  
401 Church Street  
Nashville, TN 37243-1535

**RE: United Cities Gas Co.  
118 Second Ave. North  
Franklin, TN  
SRS-0531/Facility I.D. # 5-940198**

Dear Mr. Brooks:

United Cities Gas Company ("*United Cities*") is in receipt of your letter dated September 18, 2000, and is pleased that the State Remediation Program ("*SRP*") has determined that no further action is required at the above referenced site. Based upon this determination and the February 28, 2000, determination by the Division of Underground Storage Tanks ("*DUST*") that the case is closed, United Cities intends to abandon all monitoring wells at the above referenced facility on or before December 1, 2000. Monitoring well abandonment will be conducted in accordance with Section II.N of the DUST, Environmental Assessment Guidelines, August 1996.

Please confirm in writing as soon as possible that the SRP is in agreement with the pending well abandonment. If you have any questions please contact me at 615-771-8405 or via e-mail at [stuart.schulz@unitedcitiesgas.com](mailto:stuart.schulz@unitedcitiesgas.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart Schulz", written over a horizontal line.

Stuart Schulz, RPG  
Project Geologist

cc: Dan Lindsey  
Karol Sole  
Mark P. Bare – DUST/NFO  
Chip Willis - TVG

## **Attachment D**



302 SUNSET DRIVE  
SUITE 102  
JOHNSON CITY, TN  
37601

TEL: (615) 283-4111  
FAX: (615) 283-4784

November 16, 1994

Mr. Richard A. Whitson  
Tennessee Department of Environment and Conservation  
Division of Underground Storage Tanks  
2305 Silverdale Road  
Johnson City, Tennessee 37601-2162

Re: United Cities Gas Company  
Facility ID# 1-820567

Dear Mr. Whitson,

Please find enclosed an "Application For Permanent Closure Of Underground Storage Tank Systems" for the above location.

If you should need more information or have any questions regarding this application, please feel free to contact me at (615) 283-4111.

Sincerely,

C W Environmental Services, Inc.

Dennis Whittington M.S.E.H., REP  
President

enclosure

cc: Mr. Stuart Schulz, RPG United Cities Gas Company  
w/ enclosure



January 1994

# STATE OF TENNESSEE

## DIVISION OF UNDERGROUND STORAGE TANKS

### APPLICATION FOR PERMANENT CLOSURE OF UNDERGROUND STORAGE TANK SYSTEMS

The UST system owner shall complete and submit the original of this application to the appropriate Division of Underground Storage Tanks field office for approval 30 days in advance of closing an UST system. Refer to the attached map for the address of the appropriate field office. A copy of the approved application shall be on the premises during closure of the UST system. All of the following items shall be addressed.

Once approved this application is valid for twelve months from the date of approval. The approved application is non-transferable. If ownership of the UST system changes, a new application shall be submitted for approval.

1. Facility I.D. Number: 1 8 2 0 5 6 7

2. Name of Facility: United Cities Gas Company

Address: 1595 Jared Drive

Kingsport, TN 37660

Phone Number: (615) 245-4189 County: Sullivan

On-site Contact (Operator): Tony Hughes

3. Name of Tank Owner: United Cities Gas Company

Address: 1595 Jared Drive

Kingsport, TN 37660

Phone Number: (615) 245-4189 Contact person: Tony Hughes

4. Number of tanks registered at this facility: 1

5. Number of regulated tanks to be closed: 1

6. List the tank number, size, contents, primary use and date last used for all tanks to be closed.

Tank Number	Size	Contents (past and present)	* Usage (all that apply) Other	Date Last Used
<u>1</u>	<u>1,000</u>	<u>Gasoline</u>	<u>Other</u>	<u>In Use</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

\* Heating oil, Emergency generator, Retail, Commercial, Farm, Residential, Other

7. A site map shall be attached showing the location of the underground storage tanks, associated lines, sampling points and any nearby underground utilities. **A SITE MAP IS REQUIRED. THE APPLICATION WILL NOT BE PROCESSED WITHOUT ONE.**

8. Type of closure: Removal X

\*\* Closure in place \_\_\_\_\_

\*\* Inert material selected \_\_\_\_\_

\*\* Describe the reason for closing the UST system in-place.

Refer to the document Procedure for Tank Closure-in-Place for selecting the inert solid fill material.



9. Soil and/or groundwater samples shall be collected. Laboratory analyses are based on the type of product stored. If the type of product stored is unknown, all samples shall be analyzed using BTX, TPH-GRO, TPH-DRO, and a waste oil method. Mark all the following that apply:

GASOLINE TANKS: (Boiling Point Range 70-180° F)

Benzene, Toluene, Xylene (BTX) AND  
Total Petroleum Hydrocarbons-Gasoline Range Organics (TPH-GRO) X

DIESEL OR KEROSENE TANKS: (Boiling Point Range 180-450° F)

Total Petroleum Hydrocarbons-Diesel Range Organics (TPH-DRO) \_\_\_\_\_

WASTE OIL TANKS: (Boiling Point Range greater than 450° F)

418.1 OR 503E \_\_\_\_\_

CHEMICAL TANKS:

Contact David Arial with the Environmental Protection Agency in Atlanta at (404) 347-3866.

10. All excavated material remaining on the site of generation or on a site owned by the generator or subsidiary of the generator shall be placed on and covered with plastic until sampled or managed in accordance with Technical Guidance Document-005. Sampling the excavated material can be done at the time of removal or after proper treatment of the contaminated material.

If petroleum contaminated material is managed in accordance with Technical Guidance Document-009, an Application to Treat Petroleum Contaminated Soil shall be completed and submitted to the appropriate field office for approval. If the contaminated material is to be treated on a site owned by a third party, contact the Tennessee Division of Solid Waste Management.

11. Name of Division approved laboratory selected Environmental Science Corp.
12. Name of Company/Person performing the UST system closure CW Environmental Services, Inc.
13. Name of Company/Person obtaining soil/groundwater samples CW Environmental Services, Inc.
14. Proposed date of UST system closure 11/29/94

A copy of the approved application shall be on the premises during closure of the UST system.

I, (print) Gary Price, owner of the petroleum UST system(s) at this facility, agree to submit, within 45 days of collecting the samples, the analytical results for the UST system closure and will resolve all environmental problems resulting from a release from the UST system(s) at this site.

I certify under penalty of law, including but not limited to penalties for perjury, that the information contained in this form and on any attachments is true, accurate and complete to the best of my knowledge, information and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violations.

Signature of UST system owner  
or owner's authorized representative

Date

State of Tennessee

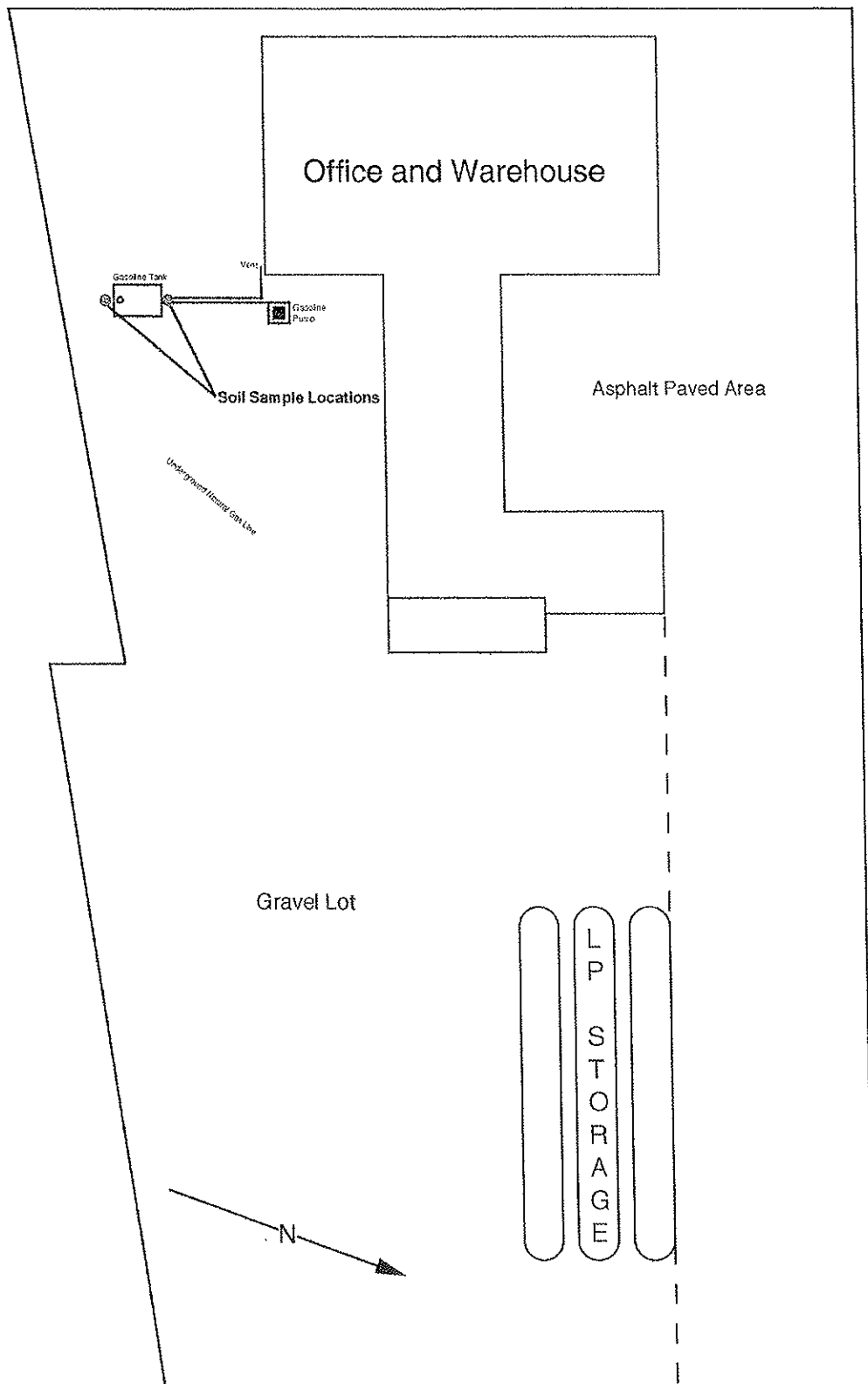
County of Williamson

Sworn to and subscribed before me by Gary Price

on this date 11/14/94

My commission expires 1-25-97

Deborah J. Sparkman  
Notary Public



Scale: 1" = 20'

**United Cities Gas Company**

1595 Jared Drive

Kingsport, TN 37660

**General Site Map**

**C W Environmental Services, Inc.**

Drawn By: DLW

Date: 11-16-94



FILE

302 SUNSET DRIVE  
SUITE 102  
JOHNSON CITY, TN  
37601

TEL: (615) 283-4111  
FAX: (615) 283-4784

December 12, 1994

Tennessee Department of Environment and Conservation  
Division of Underground Storage Tanks  
200 Doctors Building  
706 Church Street  
Nashville, TN 37247-4101

Re: United Cities Gas Company  
1595 Jared Drive  
Kingsport, TN  
Facility ID # 1-820267

Please find enclosed the closure notification for removal of one (1) underground storage tanks at the above named facility. As indicated, this tank has permanently closed by removal.

If you have any questions or need further information, please feel free to contact me at (615) 283-4111.

Sincerely,

C W ENVIRONMENTAL SERVICES, INC.

DENNIS WHITTINGTON, M.S.E.H., REP  
PRESIDENT

cc: Mr. Stuart Schultz, United Cities Gas Company  
file

# FILE

## UNDERGROUND STORAGE TANKS PROGRAM

CHAPTER 1200—1—15

### Appendix 1

OMB NO. 3046-0044, Approval Expires 5/20/91  
EPA Form 3200-1 (Revised 9/88)

Notification for Underground Storage Tanks		STATE USE ONLY	
<small>State Agency Name and Address</small> UST Division, 200 Doctor's Bldg., 706 Church St., TN DHE, Nashville, TN 37247-4101		ID NUMBER _____	
TYPE OF NOTIFICATION <input type="checkbox"/> A. NEW FACILITY <input type="checkbox"/> B. AMENDED <input checked="" type="checkbox"/> C. CLOSURE _____ No. of tanks at facility    _____ No. of continuation sheets attached		DATE RECEIVED A. Date Entered into Computer _____ B. Data Entry Clerk Initials _____ C. Owner Was Contacted to Clarify Responses, Comments _____	
INSTRUCTIONS Please type or print in ink all items except "signature" in section V. This form must be completed for each location containing underground storage tanks. If more than five (5) tanks are owned at this location, photocopy the following sheets, and staple continuation sheets to the form.			
GENERAL INFORMATION			
<p>Notification is required by Federal law for all underground tanks that have been used to store regulated substances since January 1, 1974, that are in the ground as of May 8, 1984, or that are brought into use after May 8, 1984. The information requested is required by Section 9002 of the Resource Conservation and Recovery Act, (RCRA), as amended.</p> <p>The primary purpose of this notification program is to locate and evaluate underground tanks that store or have stored petroleum or hazardous substances. It is expected that the information you provide will be based on reasonably available records, or in the absence of such records, your knowledge, belief, or recollection.</p> <p>When Must Notify? Section 9002 of RCRA, as amended, requires that, unless exempted, owners of underground tanks that store regulated substances must notify designated State or local agencies of the existence of their tanks. Owner means—</p> <p>a) in the case of an underground storage tank in use on November 8, 1984, or brought into use after that date, any person who owns an underground storage tank used for the storage, use, or dispensing of regulated substances; and</p> <p>b) in the case of any underground storage tank in use before November 8, 1984, but no longer is in use on that date, any person who owned such tank immediately before the discontinuation of its use.</p> <p>c) If the State agency so requests, any facility that has undergone any changes to facility information or tank system status (only amended tank information needs to be included).</p> <p>What Tanks Are Included? Underground storage tank is defined as any one or combination of tanks that (1) is used to contain an accumulation of "regulated substances," and (2) whose volume (including connected underground piping) is 10% or more beneath the ground. Some examples are underground tanks storing: 1. Gasoline, used oil, or diesel fuel; and 2. industrial solvents, pesticides, herbicides or fungicides.</p> <p>What Tanks Are Excluded? Tanks removed from the ground are not subject to notification. Other tanks excluded from notification are:</p> <p>1. farm or residential tanks of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes;</p> <p>2. tanks used for storing heating oil for consumptive use on the premises where stored;</p> <p>3. septic tanks;</p> <p>4. pipeline facilities (including gathering lines) regulated under the Natural Gas Pipeline Safety Act of 1968, or the Hazardous Liquid Pipeline Safety Act of 1970, or which is an interstate pipeline facility regulated under State laws;</p> <p>5. surface impoundments, pits, ponds, or lagoons;</p> <p>6. storm water or waste water collection systems;</p> <p>7. flow-through process tanks;</p> <p>8. liquid traps or associated gathering lines directly related to oil or gas production and gathering operations;</p> <p>9. storage tanks situated in an underground area (such as a basement, cellar, mine-working drift, shaft, or tunnel) if the storage tank is situated upon or above the surface of the floor.</p> <p>What Substances Are Covered? The notification requirements apply to underground storage tanks that contain regulated substances. This includes any substance defined as hazardous in section 101 (14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), with the exception of those substances regulated as hazardous waste under Subtitle C of RCRA. It also includes petroleum, e.g., crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute).</p> <p>Where To Notify? Send completed forms to:</p> <p>Underground Storage Tank Division            200 Doctor's Building            706 Church Street            Tennessee Department of Health and Environment            Nashville, TN 37247-4101</p> <p>When To Notify? 1. Owners of underground storage tanks in use or that have been taken out of operation after January 1, 1974, but still in the ground, must notify by May 8, 1984. 2. Owners who bring underground storage tanks into use after May 8, 1984, must notify within 30 days of bringing the tanks into use. 3. If the State requires notification of any amendments to the facility send information to State agency immediately.</p> <p>Penalties: Any owner who knowingly fails to notify or submits false information shall be subject to a civil penalty not to exceed \$10,000 for each tank for which notification is not given or for which false information is submitted.</p>			
I. OWNERSHIP OF TANK(S)		II. LOCATION OF TANK(S)	
<small>Owner Name (Corporate, Individual, Public Agency, or Other Entity)</small> United Cities Gas Company <small>Street Address</small> 1575 Jared Drive <small>City</small> Kingsport, TN <small>State</small> 37660 <small>County</small> Sullivan <small>Phone Number (include Area Code)</small> (615) 245-4189		<small>If required by State, give the geographic location of tanks by township, range, and section. Example: Loc. 42, 36, 12 N Long. 83, 24, 37W</small> Latitude _____ Longitude _____ (If same as Section I, mark box here <input checked="" type="checkbox"/> ) <small>Facility Name or Company Site Number, as applicable</small> _____ <small>Street Address (P.O. Box not acceptable)</small> _____ City _____ State _____ Zip Code _____ County _____ Municipality _____	

PH-3197 (Rev. 2-91)

Page 1

# UNDERGROUND STORAGE TANKS PROGRAM

CHAPTER 1200—1—15

(Appendix 1, continued)

III. TYPE OF OWNER		IV. INDIAN LANDS	
<input type="checkbox"/> Federal Government <input type="checkbox"/> State Government <input type="checkbox"/> Local Government	<input type="checkbox"/> Commercial <input checked="" type="checkbox"/> Private	Tanks are located on land within an Indian Reservation or on other trust lands. <input type="checkbox"/>  Tanks are owned by native American nation, tribe, or individual. <input type="checkbox"/>	Tribe or Nation: _____  _____
V. TYPE OF FACILITY			
Select the Appropriate Facility Description			
<input type="checkbox"/> Gas Station <input type="checkbox"/> Petroleum Distributor <input type="checkbox"/> Air Taxi (Airline) <input type="checkbox"/> Aircraft Owner <input type="checkbox"/> Auto Dealership	<input type="checkbox"/> Railroad <input type="checkbox"/> Federal - Non-Military <input type="checkbox"/> Federal - Military <input type="checkbox"/> Industrial <input type="checkbox"/> Contractor	<input type="checkbox"/> Trucking/Transport <input checked="" type="checkbox"/> Utilities <input type="checkbox"/> Residential <input type="checkbox"/> Farm <input type="checkbox"/> Other (Explain) _____	
VI. CONTACT PERSON IN CHARGE OF TANKS			
Name	Job Title	Address	Phone Number (Include Area Code)
Mr. Tony Hughes		1595 Jared Drive	(615) 245-4189
VII. FINANCIAL RESPONSIBILITY			
I have met the financial responsibility requirements in accordance with 40 CFR Subpart H <input type="checkbox"/>			
Check All that Apply			
<input type="checkbox"/> Self Insurance <input type="checkbox"/> Commercial Insurance <input type="checkbox"/> Risk Retention Group	<input type="checkbox"/> Guarantee <input type="checkbox"/> Surety Bond <input type="checkbox"/> Letter of Credit	<input type="checkbox"/> State Funds <input type="checkbox"/> Trust Fund <input type="checkbox"/> Other Method Allowed Specify _____	
VIII. CERTIFICATION (Read and sign after completing all sections)			
I certify under penalty of law that I have personally examined and am familiar with the information submitted in this and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete.			
Name and official title of owner or owner's authorized representative (Print)	Signature	Date Signed	
Mr. Dennis Whittington	<i>Dennis Whittington</i>	December 12, 1994	
EPA estimates public reporting burden for this form to average 30 minutes per response including time for reviewing instructions, gathering and maintaining the data needed and completing and reviewing the form. Send comments regarding this burden estimate to Chief, Information Policy Branch PM-223, U.S. Environmental Protection Agency, 401 M Street, Washington D.C. 20460, marked "Attention Desk Officer for EPA." This form amends the previous notification form as printed in 40 CFR Part 280, Appendix I. Previous editions of this notification form may be used while supplies last.			

Page 2

# UNDERGROUND STORAGE TANKS PROGRAM

CHAPTER 1200—1—15

(Appendix 1, continued)

IX. DESCRIPTION OF UNDERGROUND STORAGE TANKS (Complete for each tank at this location.)					
Tank Identification Number	Tank No. <u>1</u>	Tank No. <u>      </u>	Tank No. <u>      </u>	Tank No. <u>      </u>	Tank No. <u>      </u>
1. Status of Tank (mark only one)					
Currently in Use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Temporarily Out of Use <small>(Refer to 10 and section 1.1)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Permanently Out of Use <small>(Refer to 10 and section 1.1)</small>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amendment of Information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Date of Installation (mo./year)	1975				
3. Estimated Total Capacity (gallons)	1000				
4. Material of Construction (Mark all that apply)					
Asphalt Coated or Bare Steel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cathodically Protected Steel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Epoxy Coated Steel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Composite (Steel with Fiberglass)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fiberglass Reinforced Plastic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lined Interior	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Double Walled	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Polyethylene Tank Jacket	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Concrete	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excavation Liner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unknown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, Please specify					
Has tank been repaired?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Piping (Material) (Mark all that apply)					
Bare Steel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Galvanized Steel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fiberglass Reinforced Plastic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cathodically Protected	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Double Walled	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Secondary Containment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unknown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other, Please specify					
6. Piping (Type) (Mark all that apply)					
Suction; no valve at tank	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suction; valve at tank	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pressure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gravily Feed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has piping been repaired?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Page 3

# UNDERGROUND STORAGE TANKS PROGRAM

CHAPTER 1200—1—15

(Appendix 1, continued)

Tank Identification Number	Tank No. <u>1</u>	Tank No. _____	Tank No. _____	Tank No. _____	Tank No. _____
<b>7. Substance Currently or Last Stored In Greatest Quantity by Volume</b>					
Gasoline	<input checked="" type="checkbox"/>				
Diesel					
Gasohol					
Kerosene					
Heating Oil					
Used Oil					
Other, Please specify					
Hazardous Substance CERCLA name and/or CAS number					
Mixture of Substances Please specify					
<b>X. TANKS OUT OF USE, OR CHANGE IN SERVICE</b>					
<b>1. Closing of Tank</b>					
A. Estimated date last used (mo./day/year)	11-29-94				
B. Estimate date tank closed (mo./day/year)	11-29-94				
C. Tank was removed from ground	<input checked="" type="checkbox"/>				
D. Tank was closed in ground					
E. Tank filled with inert material Describe					
F. Change in service					
<b>2. Site Assessment Completed</b>	<input checked="" type="checkbox"/>				
Evidence of a leak detected	<input checked="" type="checkbox"/>				

Page 4

## CHAPTER 1200-1-15

XI. CERTIFICATION OF COMPLIANCE (COMPLETE FOR ALL NEW AND UPGRADED TANKS AT THIS LOCATION)											
Tank Identification Number	Tank No. _____	Tank No. _____	Tank No. _____	Tank No. _____	Tank No. _____						
<b>1. Installation</b>											
A. Installer certified by tank and piping manufacturers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
B. Installer certified or licensed by the implementing agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
C. Installation inspected by a registered engineer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
D. Installation inspected and approved by implementing agency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
E. Manufacturer's installation check-lists have been completed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
F. Another method allowed by State agency. Please specify.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
<b>2. Release Detection (Mark all that apply)</b>											
	TANK	PIPING	TANK	PIPING	TANK	PIPING	TANK	PIPING	TANK	PIPING	
A. Manual tank gauging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B. Tank tightness testing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
C. Inventory controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
D. Automatic tank gauging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
E. Vapor monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
F. Groundwater monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
G. Interstitial monitoring double walled tank/piping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
H. Interstitial monitoring/secondary containment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
I. Automatic line leak detectors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
J. Line tightness testing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
K. Other method allowed by implementing Agency. Please specify.	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>		
<b>3. Spill and Overfill Protection</b>											
A. Overfill device installed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
B. Spill device installed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
<b>OATH:</b> I certify the information concerning installation that is provided in section XI is true to the best of my belief and knowledge.											
Installer: _____		Signature _____		Date _____							
Name _____		Position _____		Company _____							





STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(615) 854-5400 FAX (615) 854-5401

December 30, 1994

Mr. Tony Hughes  
United Cities Gas Company  
1595 Jared Drive  
Kingsport, Tennessee 37660

RE: Final Approval of UST Closure  
United Cities Gas Company  
Facility ID #1-820567

Dear Mr. Hughes:

The Division of Underground Storage Tanks has received the analytical results from the above referenced petroleum underground storage tank (UST) closure. The results do not indicate contamination above the applicable cleanup levels. Based on the information available, the UST approved for closure on the application dated November 14, 1994, can be considered closed. At this time no further investigation is required. However, the Division reserves the right to require additional action if necessary.

Rule 1200-1-15-.02(3)(a) requires owners/operators to notify the Division of any changes (removal, change-in-service, new installation, etc.) made in the UST system.

If you have any questions concerning this correspondence, call (615)854-5443.

Sincerely,

A handwritten signature in cursive script, reading "Kevin P. Carey".

Kevin P. Carey  
Division of Underground Storage Tanks

KPC/14104363 FO-20

cc: Nashville UST Central Office - Technical Review Section  
Closed File 1-820567 ✓



FILE

302 SUNSET DRIVE  
SUITE 102  
JOHNSON CITY, TN  
37601

TEL: (615) 283-4111  
FAX: (615) 283-4784

December 12, 1994

Mr. Kevin Carey  
Tennessee Department of Environment and Conservation  
Division of Underground Storage Tanks  
Johnson City Field Office  
2305 Silverdale Road  
Johnson City, Tennessee 37601-2162

Re: United Cities Gas Company  
1595 Jared Drive  
Kingsport, TN  
Facility ID # 1-820267

Dear Mr. Carey,

Please find enclosed the Permanent Closure Report and TGD-005 for the above named facility. As the laboratory results indicate, no petroleum hydrocarbon contamination was detected in soil samples collected from the UST pit or soil pile.

If you have any questions or need further information, please feel free to contact me at (615) 283-4111.

Sincerely,

C W ENVIRONMENTAL SERVICES, INC.

DENNIS WHITTINGTON, M.S.E.H., REP  
PRESIDENT

cc: Mr. Stuart Schultz, United Cities Gas Company  
file



# STATE OF TENNESSEE DIVISION OF UNDERGROUND STORAGE TANKS

## PERMANENT CLOSURE REPORT

# FILE

The UST system owner shall complete and submit the original of this report within 45 days of collecting samples during the UST system closure assessment. Attach extra sheets if necessary. Include the following appendices in the report.

Appendix A: Include a table containing the field screening and analytical results. All results shall be reported in parts per million (ppm). The results shall be properly identified and correlated with the sampling locations on the site map.

Appendix B: Include the original or carbon copy of the laboratory analysis sheets. Photocopies are not acceptable. The facility name, UST Facility ID number, sample location and sample depth from ground surface shall be provided to the laboratory and printed on each laboratory analysis sheet.

Appendix C: Include an updated site map showing buildings, utilities, areas of overexcavation, borings, and sample points. The map shall also include soil stockpiles, their dimensions in feet, and properly labeled screening and sampling points.

Appendix D: Include documentation for treatment and/or disposal of soil, sludge, liquid, tanks and piping. (i.e. Application to Treat Petroleum Contaminated Soil, Solid Waste Permits, Landfill Disposal Manifests, etc.)

1. UST Facility ID#: 1 8 2 0 5 6 7

2. Facility Name United Cities Gas Company

3. Division personnel with the appropriate field office were notified at least one working day before collecting soil samples for the UST system closure assessment. Yes ☒ No ☐

Person contacted Mr. Kevin Carey  
Field office Johnson City Field Office  
Date 11-28-94  
Reported by Mr. Dale Greer

4. The tank atmosphere and work zone were regularly tested with a combustible gas indicator in accordance with UST regulations Appendix 5 (2) and (3). Yes ☒ No ☐

5. Method of purging tank atmosphere:

Carbon dioxide gas ☐ Nitrogen ☐ Eductor-type air mover ☐ Diffused air blower ☒  
Dry ice (1.5 lb/100 gal) ☐ Other ☐

6. Product piping was drained into the tank. Yes ☒ No ☐

7. Product piping was: Capped ☐ Removed ☒

8. All liquid/sludge was removed from the UST system. Yes ☐ No ☐ None encountered ☒

9. Method of liquid/sludge storage: N/A

10. Method of liquid/sludge disposal: N/A

Manifests included in Appendix D. Yes ☐ No ☐ Not applicable ☒

11. Tank was labeled in accordance with the UST regulations Appendix 5 (4)(f).  
Yes ☒ No ☐ Not applicable ☐

12. Method of UST system storage/disposal:

Cut up for disposal ☒ Stored on site ☐ Stored off site ☐  
Other \_\_\_\_\_

UST systems stored on-site or off-site are subject to Rules 1200-1-15-.07(2)(e), (f) and (g).

13. Location of UST system storage/disposal: Scrap metal

Certificate of disposal included in Appendix D. Yes ☒ No ☐

14. Bedrock was encountered during UST system removal/closure-in-place. Yes ☐ No ☒

All contaminated material above the applicable cleanup level was excavated. Yes ☐ No ☐ Not Applicable ☒

Native soil was sampled from floor of excavation. Yes ☒ No ☐

15. Water was encountered during excavation of UST system. Yes ☐ No ☒

Amount of water removed: \_\_\_\_\_ gals.

Water recharged within 24 hours. Yes ☐ No ☐

Recharge water was sampled. Yes ☐ No ☐

Analytical results are in Appendix B. Yes ☐ No ☐

Method of water disposal: \_\_\_\_\_

Manifests included in Appendix D. Yes ☐ No ☐

16. Water was encountered in the soil borings during closure-in-place. Yes ☐ No ☐ Not applicable ☒

Water was sampled. Yes ☐ No ☐

Analytical results are in Appendix B. Yes ☐ No ☐

17. Amount of backfill material initially removed during UST system closure: 15.55 cubic yards

18. Total amount of contaminated material overexcavated after removal of the UST system: ☐ cubic yards

If more than 100 cubic yards of material was overexcavated, Division personnel in the appropriate field office should have been contacted.

Division personnel in the appropriate field office were contacted. Yes ☐ No ☐ Not applicable ☐

Person contacted \_\_\_\_\_

Field office \_\_\_\_\_

Date \_\_\_\_\_

Reported by \_\_\_\_\_

All excavated material remaining on the site of generation or on a site owned by the generator or subsidiary of the generator shall be placed on and covered with plastic until sampled or managed in accordance with Technical Guidance Document-005. Sampling the excavated material can be done at the time of removal or after proper treatment of the contaminated material.

If petroleum contaminated material is managed in accordance with Technical Guidance Document-009, an Application to Treat Petroleum Contaminated Soil shall be completed and submitted to the appropriate field office for approval. If the contaminated material is to be treated on a site owned by a third party, contact the Tennessee Division of Solid Waste Management.

All excavations shall be backfilled with material containing levels at or below 10 ppm BTX and/or 100 ppm TPH.

19. Mark all that apply regarding the management of the excavated material:

Stockpiled onsite ☒ Thermal treatment onsite ☐ Thermal treatment offsite ☐ Landfilled ☐  
Other ☐

Documentation is included in Appendix D. Yes ☒ No ☐

20. All sample containers were supplied by a Division approved laboratory. Yes ☒ No ☐

21. All samples were placed in the appropriate containers. Yes ☒ No ☐

22. Immediately after collection all samples were placed on ice and maintained at 4° C until delivered to a Division approved laboratory. Yes ☒ No ☐

23. Laboratory confirmation of petroleum contamination or discovery of free product was reported to the Division within 72 hours. Yes ☐ No ☐ Not Applicable ☒

Person contacted   
Field office   
Date   
Reported by

24. A Notification Form reporting the closure of the tank system was submitted to the Nashville Central Office.  
Yes ☒ No ☐

Failure to submit a Notification Form may result in the assessment of additional tank fees.

I certify under penalty of law, including but not limited to penalties for perjury, that the information contained in this form and on any attachments is true, accurate and complete to the best of my knowledge, information and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violations.

Name and Official Title of Owner  
or Owner's Authorized Representative

Mr. Dennis Whittington

Name (Print)

*Dennis Whittington*

Signature

Authorized Representative

Official Title

December 12, 1994

Date

State of *Tennessee*

County of *Washington*

Sworn to and subscribed before me by *Dennis Whittington* on this date *12-12-94*

My commission expires *7-21-95*

*Jean S. Colbaugh*  
Notary Public - Print Name

## **Appendix A**

ON-SITE SCREENING  
United Cities Gas

Soil Samples

<u>Sample</u>	<u>PPM</u>
#1	136 ppm
#2	190 ppm

ppm (parts per million)

## **Appendix B**





ENVIRONMENTAL  
SCIENCE CORP.

12065 Lebanon Rd.  
Mt. Juliet, TN 37122-2605  
(615) 758-5858  
1-800-767-5859  
FAX (615) 758-5859  
Est. 1970

REPORT OF ANALYSIS

Mr. Dennis Whittington  
C.W. Environmental  
302 Sunset Drive Suite 102  
Johnson City TN 37604

December 5, 1994  
Sample # : 28760-94-1

Date Received: December 1, 1994  
Description : Soil

Fac. ID#: 1-820567

Collection Point : Tank Pit Sample #1, Depth 6'  
Collection Date/Time : 11/29/94 1130  
Collected by : DBG

Parameter	Result	Units	Method	Date Analyzed	EPA Qual
Benzene	0.016	mg/kg	8020	12/03/94	
Toluene	0.020	mg/kg	8020	12/03/94	
Ethylbenzene	0.021	mg/kg	8020	12/03/94	
o-Xylene	0.040	mg/kg	8020	12/03/94	
m&p-Xylenes	0.19	mg/kg	8020	12/03/94	
TPH (GC/FID) Low Fraction	5.5	mg/kg	GRO	12/03/94	
TPH (GC/FID) High Fraction <	4.0	mg/kg	DRO	12/02/94	

Dewey Klahn  
Laboratory Manager

Please review all information in this report for accuracy and completeness.  
Contact our office within 10 days if there are any questions.



12065 Lebanon Rd.  
Mt. Juliet, TN 37122-2605  
(615) 758-5858  
1-800-767-5859  
FAX (615) 758-5859  
Est. 1970

# REPORT OF ANALYSIS

Mr. Dennis Whittington  
C.W. Environmental  
302 Sunset Drive Suite 102  
Johnson City TN 37604

December 5, 1994  
Sample # : 28761-94-1

Date Received: December 1, 1994  
Description : Soil

Fac. ID#: 1-820567

Collection Point : Tank Pit sample #2, Depth 6'  
Collection Date/Time : 11/29/94 1145  
Collected by : DBG

Parameter	Result	Units	Method	Date Analyzed	EPA Qual
Benzene	0.036	mg/kg	8020	12/03/94	
Toluene	0.21	mg/kg	8020	12/03/94	
Ethylbenzene	0.10	mg/kg	8020	12/03/94	
o-Xylene	0.25	mg/kg	8020	12/03/94	
m&p-Xylenes	0.44	mg/kg	8020	12/03/94	
TPH (GC/FID) Low Fraction	5.3	mg/kg	GRO	12/03/94	
TPH (GC/FID) High Fraction <	4.0	mg/kg	DRO	12/02/94	

  
Dewey Klahn

Laboratory Manager

Please review all information in this report for accuracy and completeness.  
Contact our office within 10 days if there are any questions.



ENVIRONMENTAL  
SCIENCE CORP.

12065 Lebanon Rd.  
Mt. Juliet, TN 37122-2605  
(615) 758-5858  
1-800-767-5859  
FAX (615) 758-5859  
Est. 1970

REPORT OF ANALYSIS

Mr. Dennis Whittington  
C.W. Environmental  
302 Sunset Drive Suite 102  
Johnson City TN 37604

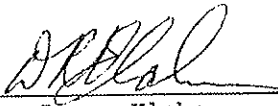
December 5, 1994  
Sample # : 28762-94-1

Date Received: December 1, 1994  
Description : Soil

Fac. ID#: 1-820567

Collection Point : Stockpile #2, Interval 1-1.5'  
Collection Date/Time : 11/29/94 1230  
Collected by : DBG

Parameter	Result	Units	Method	Date Analyzed	EPA Qual
Benzene	0.17	mg/kg	8020	12/03/94	
Toluene	0.053	mg/kg	8020	12/03/94	
Ethylbenzene	0.24	mg/kg	8020	12/03/94	
o-Xylene	0.043	mg/kg	8020	12/03/94	
m&p-Xylenes	0.34	mg/kg	8020	12/03/94	
TPH (GC/FID) Low Fraction	8.7	mg/kg	GRO	12/03/94	
TPH (GC/FID) High Fraction <	4.0	mg/kg	DRO	12/02/94	

  
Dewey Klahn  
Laboratory Manager

Please review all information in this report for accuracy and completeness.  
Contact our office within 10 days if there are any questions.



Environmental Services  
Incorporated

# CHAIN OF CUSTODY & ANALYSIS REQUEST FORM

FACILITY: United Cities Gas Company

FACILITY ID #: 1-870567

LOCATION: 1575 Jared Dr. Kingsport TN 37660

## SPECIAL INSTRUCTIONS:

Please return sample results via  
E-mail to whitington@cwenv.com. Services are

POSSIBLE SAMPLE  
HAZARDS:

SAMPLER:

DBG

TURNAROUND TIME:

NORMAL X

RUSH \_\_\_\_\_

OTHER \_\_\_\_\_

## ANALYSES REQUIRED

BTEX (EPA 503/9020)  
DRO  
GRO

SAMPLE IDENTIFICATION	DATE	TIME	SAMPLE TYPE	NUMBER OF CONTAINERS
100k P-1 Sample #1 161	11-29-94	11:30am	SOIL	1
100k P-1 Sample #2 161	11-29-94	11:45	SOIL	1
100k P-1 Sample #3 161	11-29-94	12:30p	SOIL	1

28760  
28761  
28762

RELINQUISHED BY: (SIGNATURE)

Donna Whitington

DATE/TIME

11/30/94 11:30am

RECEIVED BY: (SIGNATURE)

Jim Colbert

RELINQUISHED BY: (SIGNATURE)

Jim Colbert

DATE/TIME

11/30/94 11:45am

RECEIVED BY: (SIGNATURE)

UPS

RELINQUISHED BY: (SIGNATURE)

Donna Whitington

DATE/TIME

12-1-94 0915

RECEIVED BY: (SIGNATURE)

Benita Mules

RELINQUISHED BY: (SIGNATURE)

Benita Mules

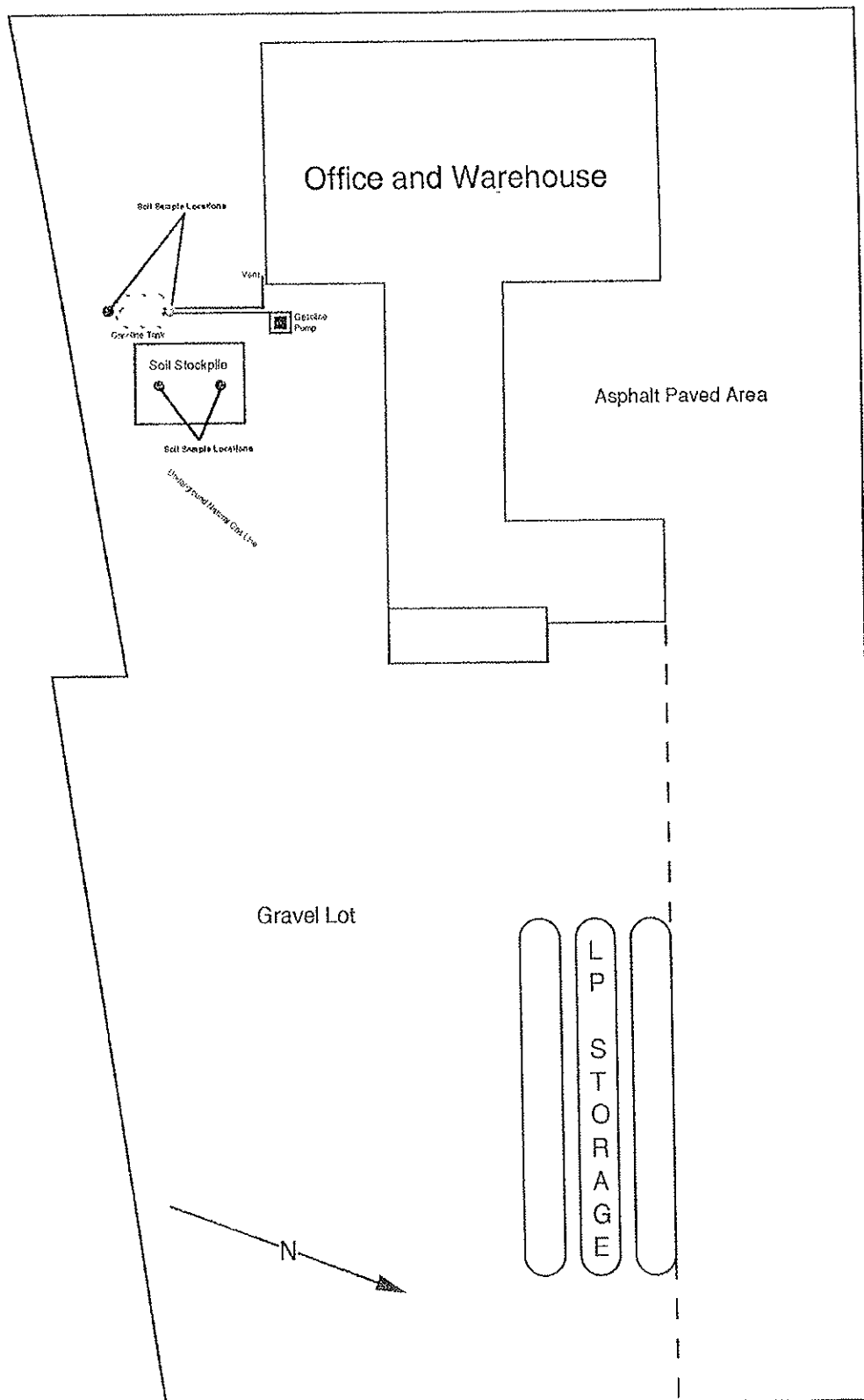
DATE/TIME

12-1-94 0915

RECEIVED BY: (SIGNATURE)

Benita Mules

## **Appendix C**



Scale: 1" = 20'

**United Cities Gas Company**

1595 Jared Drive

Kingsport, TN 37660

**General Site Map**

**C W Environmental Services, Inc.**

Drawn By: DLW Date: 11-16-94

Updated: 12-09-94

## **Appendix D**

## UNDERGROUND STORAGE TANK CERTIFICATE OF DISPOSAL

This is to certify that one (1) 1,000 gallon underground storage tank was removed for United Cities Gas Company located at 1595 Jared Drive in Kingsport, Tennessee. This tank was emptied of all contents, thoroughly cleaned, ventilated using forced air ventilation to remove all vapors, and totally dismantled to prevent further use.

CERTIFIED BY:



DENNIS WHITTINGTON

C W ENVIRONMENTAL SERVICES, INC.

302 Sunset Drive, Suite 102

Johnson City, Tennessee 37601



## **Attachment E**



FILE

September 18, 1995

Mr. Rick Whitson  
Johnson City Field Office  
Tennessee Division of Underground Storage Tanks  
2305 Silverdale Road  
Johnson City, TN 37601

RE: Notice of Intent to Close by Removal UST Systems  
Johnson City, TN (Facility I.D.# 1-900431) and  
Bristol, TN (Facility I.D. # 1-820361)

Dear Mr. Whitson:

Please find enclosed two (2) applications for permanent closure of underground storage tank systems. The UST systems are located in Johnson City, TN (Facility I.D.# 1-900431) and Bristol, TN (Facility I.D. # 1-820361).

We hope to initiate removal activities the week of October 16, 1995. Your prompt attention is requested. If you have any questions please call me at 615-373-0104 extension 405.

Respectfully,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RPG  
Project Geologist

cc: TDEC-DUST Central Office



January 1994

# STATE OF TENNESSEE

## DIVISION OF UNDERGROUND STORAGE TANKS

### APPLICATION FOR PERMANENT CLOSURE OF UNDERGROUND STORAGE TANK SYSTEMS

The UST system owner shall complete and submit the original of this application to the appropriate Division of Underground Storage Tanks field office for approval 30 days in advance of closing an UST system. Refer to the attached map for the address of the appropriate field office. A copy of the approved application shall be on the premises during closure of the UST system. All of the following items shall be addressed.

Once approved this application is valid for twelve months from the date of approval. The approved application is non-transferable. If ownership of the UST system changes, a new application shall be submitted for approval.

1. Facility I.D. Number: 1 8 2 0 3 6 1

2. Name of Facility: United Cities Gas Company

Address: 816 Shelby Street

Bristol, TN 37620

Phone Number: ( 615 ) 764-3151

County: Sullivan

On-site Contact (Operator): Danny Vines

3. Name of Tank Owner: United Cities Gas Company

Address: 5300 Maryland Way

Brentwood, TN 37027

Phone Number: (615 ) 373-0104

Contact person: Stuart Schulz

4. Number of tanks registered at this facility: 2

5. Number of regulated tanks to be closed: 2

6. List the tank number, size, contents, primary use and date last used for all tanks to be closed.

Tank Number	Size	Contents (past and present)	* Usage (all that apply)	Date Last Used
<u>1</u>	<u>550</u>	<u>Gasoline</u>	<u>Commercial</u>	<u>12/12/94</u>
<u>2</u>	<u>500</u>	<u>Diesel</u>	<u>Commerical</u>	<u>12/12/94</u>

\* Heating oil, Emergency generator, Retail, Commercial, Farm, Residential, Other

7. A site map shall be attached showing the location of the underground storage tanks, associated lines, sampling points and any nearby underground utilities. **A SITE MAP IS REQUIRED. THE APPLICATION WILL NOT BE PROCESSED WITHOUT ONE.**

8. Type of closure: Removal x

\*\* Closure in place \_\_\_\_\_

\*\* Inert material selected \_\_\_\_\_

\*\* Describe the reason for closing the UST system in-place.

Refer to the document Procedure for Tank Closure-in-Place for selecting the inert solid fill material.

9. Soil and/or groundwater samples shall be collected. Laboratory analyses are based on the type of product stored. If the type of product stored is unknown, all samples shall be analyzed using BTX, TPH-GRO, TPH-DRO, and a waste oil method. Mark all the following that apply:

GASOLINE TANKS: (Boiling Point Range 70-180° F)

Benzene, Toluene, Xylene (BTX) AND  
Total Petroleum Hydrocarbons-Gasoline Range Organics (TPH-GRO) X

DIESEL OR KEROSENE TANKS: (Boiling Point Range 180-450° F)

Total Petroleum Hydrocarbons-Diesel Range Organics (TPH-DRO) X

WASTE OIL TANKS: (Boiling Point Range greater than 450° F)

418.1 OR 503E           

FILE

CHEMICAL TANKS:

Contact David Arial with the Environmental Protection Agency in Atlanta at (404) 347-3866.

10. All excavated material remaining on the site of generation or on a site owned by the generator or subsidiary of the generator shall be placed on and covered with plastic until sampled or managed in accordance with Technical Guidance Document-005. Sampling the excavated material can be done at the time of removal or after proper treatment of the contaminated material.

If petroleum contaminated material is managed in accordance with Technical Guidance Document-009, an Application to Treat Petroleum Contaminated Soil shall be completed and submitted to the appropriate field office for approval. If the contaminated material is to be treated on a site owned by a third party, contact the Tennessee Division of Solid Waste Management.

11. Name of Division approved laboratory selected Specialized Assays (Nash., TN)
12. Name of Company/Person performing the UST system closure Four Seasons Environmental
13. Name of Company/Person obtaining soil/groundwater samples Four Seasons Environmental
14. Proposed date of UST system closure 10/18/95

A copy of the approved application shall be on the premises during closure of the UST system.

I, (print) Gary Price, owner of the petroleum UST system(s) at this facility, agree to submit, within 45 days of collecting the samples, the analytical results for the UST system closure and will resolve all environmental problems resulting from a release from the UST system(s) at this site.

I certify under penalty of law, including but not limited to penalties for perjury, that the information contained in this form and on any attachments is true, accurate and complete to the best of my knowledge, information and belief. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for intentional violations.

Signature of UST system owner  
or owner's authorized representative

Date

State of

County of

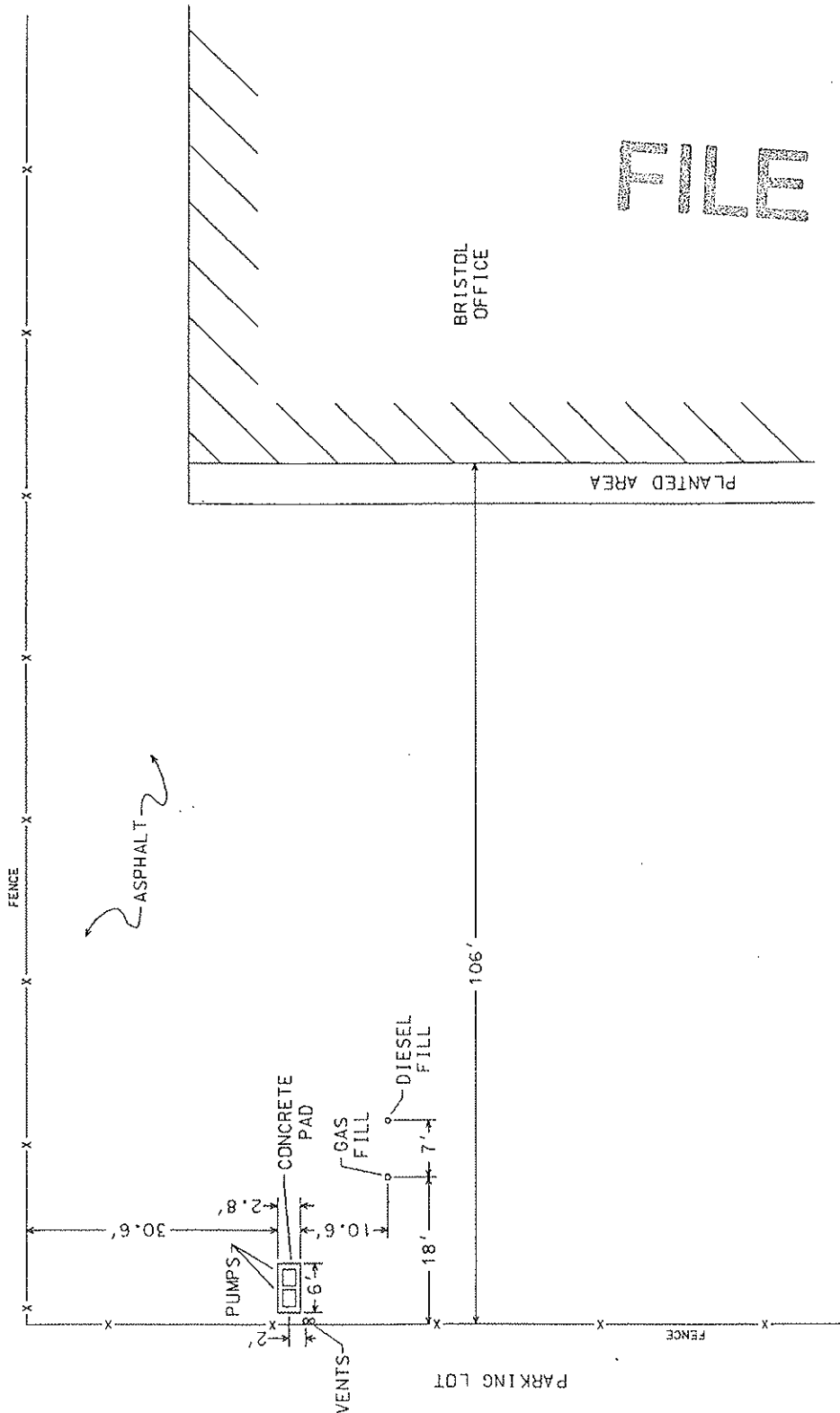
Sworn to and subscribed before me by

on this date

My commission expires

Notary Public

# BRISTOL POWER STATION



## United Cities Gas Company

REVISIONS			BRISTOL GAS TANK LOCATION		
NO.	DATE	BY			
1					
2					
3					
4					
5					

BRISTOL, TENNESSEE  
 DRAWN BY: CRAIG DOTSON  
 SCALE: 1" = 20'  
 CHECK'D: DATE: 7-6-95  
 APPRO'D: GASTANKS.DCN  
 PLOT FILE: GASTANK3.650  
 DRAWING NO.:



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(615) 854-5400 FAX (615) 854-5401

September 22, 1995

Mr. Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Permanent Closure Application - Approved  
United Cities Gas Company  
816 Shelby Street, Bristol, Tennessee  
Facility ID # 1-820361, Washington County

Dear Mr. Price:

The Division of Underground Storage Tanks has approved your Application for Permanent Closure of Underground Storage Tank Systems dated September 18, 1995, for the above referenced facility. Enclosed is a copy of the approved application. This copy must be kept at the site during all closure activities.

This office must be notified **at least one working day** in advance of any major field activities.

If a release is identified during closure procedures, then the following initial response actions must be performed by United Cities Gas Company as required by Rule 1200-1-15-.06(2):

- (a) Report the release to the Division within 72 hours (e.g., by telephone or electronic mail);
- (b) Take immediate action to prevent any further releases of the petroleum into the environment; and
- (c) Take immediate action to identify and mitigate fire, explosion, and vapor hazards.

**All Fund eligible work shall be conducted and/or overseen by an UST Approved Corrective Action Contractor.** The current list of approved contractors is enclosed. Also refer to the enclosed Authorization for Fund Eligibility form.

United Cities Gas Company must comply with all applicable federal, state, and local requirements during tank closure activities, including treatment and disposal of contaminated soil and/or groundwater. For information regarding the treatment of petroleum contaminated soils, refer to the enclosed Technical Guidance Document 009.

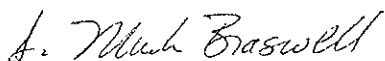
Enclosed is a copy of the Permanent Closure Report Form, Technical Guidance Document 005 and Technical Guidance Document 009. The Permanent Closure Report Form must be completed and submitted with original or carbon copies of the analytical results. Photocopies will **NOT** be accepted.

Before the closure of your UST system can be considered complete, an amended UST Notification Form must be completed, signed, and submitted to the UST Central Office in Nashville. Failure to properly submit the form may result in the assessment of additional UST fees. To assist you in properly completing the Notification Form, the following instructions should be followed:

1. If tanks are being removed and no additional tanks are being installed, then complete only sections I, II, VIII, and X. The tank identification numbers should correspond with the numbers for these tanks on the previous Notification Form.
2. If additional tanks are to be installed at this facility, then sections IX and XI must also be completed. The identification numbers for the new tanks must be different from the numbers of the tanks which were removed (e.g., Tanks 1, 2, and 3 were removed, Tanks 4, 5, and 6 are to be installed).

If you have any questions concerning this correspondence, call 423 / 854 - 5442.

Sincerely,



S. Mark Braswell

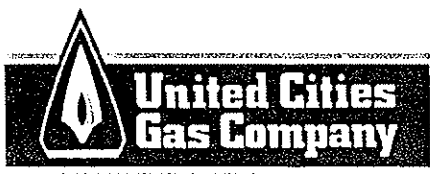
Geologist

Division of Underground Storage Tanks

Enclosures: Approved Closure Application (copy)  
Permanent Closure Report Form (1/94)  
Technical Guidance Document 005 (1/94)  
Technical Guidance Document 009 (1/94)  
Authorization For Fund Eligibility

xcy ✓ Mr. Stuart Shulz, RPG, United Cities Gas Company, Brentwood, TN  
Closure File # 1-820361

fo-023f



FILE

November 30, 1995

Mr. S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks  
State of Tennessee  
Dept. of Environment & Conservation  
Johnson City Field Office  
2305 Silverdale Road  
Johnson City, TN 37601-1262

**RE: UST Closure - Facility I.D.: 1-820361  
United Cities Gas Co.  
816 Shelby Street  
Bristol, TN 37620**

Dear Mr. Braswell:

Enclosed please find the Closure Report documenting the removal of a 550 gallon gasoline Underground Storage Tank ("UST") and a 500 gallon diesel UST from the above referenced facility. The following is a summary of site activities:

- Overfill of the diesel tank was evident by staining on the tank originating from the fill port and stained fill material.
- Original closure soil sample B-1 (fill port end of tank pit) indicated diesel contamination over TDEC-DUST closure limits.
- Overexcavated approximately 26 cubic yards.
- Groundwater encountered and sampled at a depth of 8.5 feet. Resampled tank pit floor soils just above static water level.
- Groundwater analytical results: 0.001 Benzene and 0.3 Total TPH.
- Final closure soil sample B-1A results dropped from 1230 ppm to 45 ppm. Below TDEC-DUST closure limits of 100 Total TPH.



Based on the success of overexcavation of pit soils and the minimal TPH concentrations detected in groundwater, United Cities respectfully requests the Division consider the Bristol, TN UST system closed.

If you have any questions please do not hesitate to contact either myself or Karol Sole at (615) 373-0104 extensions 405 and 400, respectively.

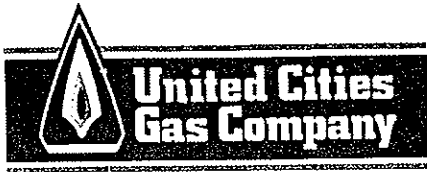
Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RPG(1498)  
Project Geologist

Encl. Permanent Closure Report

cc: Closure Notification Form Only  
Central Office  
401 Church Street



FILE

January 22, 1996

Ms. Nona Bryant  
Department of Environment and Conservation  
Division of Underground Storage Tanks  
Authorization for Fund Eligibility  
4th Floor, L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

**RE: Submittal of Authorization for Fund Eligibility**  
**United Cities Gas Company**  
**816 Shelby Street**  
**Bristol, TN 37621**  
**Facility I.D.# 1-820361**

Dear Ms. Bryant:

Enclosed please find an Authorization Form for Reimbursement from the Petroleum Underground Storage Tank Fund for the above referenced United Cities' facility.

If you have any questions or require additional information please do not hesitate to contact me at (615) 373-0104 extension 405.

Sincerely,

Stuart Schulz, RPG  
Project Geologist

Enclosures      Authorization Form w/attachemnts

cc:              Gary Price, Karol Sole

AUTHORIZATION FORM  
FOR REIMBURSEMENT FROM THE  
PETROLEUM UNDERGROUND  
STORAGE TANK FUND

FILE



DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF UNDERGROUND STORAGE TANKS

4th Floor, L & C Tower  
401 Church Street  
Nashville, Tn 37243-1541

The attached form must be completed and submitted to the Central Office in order to be approved for reimbursement from the Tennessee Petroleum Underground Storage Tank Fund. This document will be treated as pre-approval for Fund Eligibility. If after approval is given for Fund Eligibility and other information comes forth that would jeopardize Eligibility, the Division reserves the right to deny Fund Coverage for this cleanup (examples: failure to properly stabilize the site, or failure to meet deadlines).

AUTHORIZATION (to be completed by Owner or Operator applying for reimbursement)

This AUTHORIZATION is the document which must be submitted in order to formally access the TENNESSEE UNDERGROUND STORAGE TANK FUND. Without an original Authorization form, no Reimbursement Request can be processed. This authorization must be approved by the Division of Underground Storage Tanks and must accompany or precede the first application for reimbursement. This document need only be submitted once per cleanup.

Be sure to thoroughly complete this document and provide supporting documentation as required as it serves as the basis for determining eligibility for accessing the Fund. If information is not sufficient to make a determination, reimbursement requests will be delayed while additional information is requested.

SECTION 1. FACILITY INFORMATION

Provide Facility seven digit identification number along with street address, city and zip code where the facility is located. On line two (2) provide facility name along with facility operator name and telephone number.

SECTION 2. RESPONSIBLE PARTY INFORMATION

Provide name, address of person or company that will be taking responsibility for site rehabilitation along with social security number or federal identification number. Be sure to indicate name of contact person and telephone number of contact person.

Applicant type: place an (X) in the appropriate blank or blanks or describe in the space marked Other what relationship applicant has to the tank owner (please type or print, attach additional paper if necessary).

Indicate the date responsible party purchased or began operation of facility.  
Indicate the number of USTs operated in Tennessee by Responsible Party.

SECTION 3. DISCOVERY OF CONTAMINATION

Indicate the date contamination was discovered and the date that contamination was reported to the Division of Underground Storage Tanks. Remember that a release of petroleum must be reported to the Division within 72 hours after discovery.

WHAT EVENTS LED TO THE DISCOVERY: Place an (X) in the appropriate space that led to the discovery of contamination or type or print in the space described as Other, an explanation of what led to the discovery of contamination.

SECTION 4. CONTRACTOR/CONSULTANT INFORMATION

In this section list any contractors/consultants that will be performing corrective action at this facility. Be sure to obtain license number of contractor along with their Monetary License Limits and Tax ID number. List all Engineers and Geologists Names and Titles along with their Tennessee Registration Numbers. Attach additional pages as needed.

REMEMBER TO ATTACH A COPY OF THE CONTRACTUAL AGREEMENT.

SECTION 5. RESPONSIBLE PARTY CERTIFICATION

This section must be completed. Be sure to include the title of the person authorized to sign the document.



# FILE

DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
DIVISION OF UNDERGROUND STORAGE TANKS  
AUTHORIZATION FOR FUND ELIGIBILITY  
4th Floor, L & C Tower  
401 Church Street  
Nashville, Tn. 37243-1541

## SECTION 1. FACILITY INFORMATION

Facility ID# 1 - 8 2 0 3 6 1 Location 816 Shelby St. Bristol 37621  
United Cities Gas Co. Gary W. Price, P.E. city zip code  
Facility Name Operator Name (615) 373-0104  
Telephone

## SECTION 2. RESPONSIBLE PARTY INFORMATION

Name Gary W. Price, Vice President & Chief Engineer 361801540  
Address United Cities Gas Company (SS#/FIN#)  
5300 Maryland Way Brentwood TN 37027 Contact Person: Stuart Schulz  
city state zip code Phone: (615) 373-0104 x405  
Applicant Type: Tank owner ( ☒ ) Property Owner ( ☒ )  
Operator ( ☐ ) Other (describe) \_\_\_\_\_

Date Facility was Purchased 10/13/66  
Indicate the Number of USTs operated in Tennessee 5

## SECTION 3. DISCOVERY OF CONTAMINATION

Date Contamination Discovered 10/23/95 Date Reported to UST 10/25/95  
What Events led to Discovery: Release Detection ( ☐ ) Inventory Control ( ☐ ) Closure ( ☒ )  
Free product or vapors present ( ☒ ) Off-site Impact ( ☐ )  
Other (describe) Stained Fill and Soil

## SECTION 4. CONTRACTOR/CONSULTANT INFORMATION

Environmental Pollution Services CO162  
Firms Name Randy Casey, P.E., Vice President Licence # \$ N/A 62-1514497  
Monetary Limit 22868 (SS#/FIN#)  
Engineers/Geologist Name and Title Licence #  
Engineers/Geologist Name and Title Licence #

ATTACH COPY OF CONTRACTUAL AGREEMENT WITH CONTRACTOR

SECTION 4. CONTINUED ---CONTRACTOR/CONSULTANT INFORMATION

Firms Name \_\_\_\_\_ Licence # \_\_\_\_\_ \$ \_\_\_\_\_ Monetary Limit \_\_\_\_\_ (SS#/FIN#) \_\_\_\_\_  
Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_  
Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_

ATTACH COPY OF CONTRACTUAL AGREEMENT WITH CONTRACTOR

SECTION 4. CONTINUED ---CONTRACTOR/CONSULTANT INFORMATION

Firms Name \_\_\_\_\_ Licence # \_\_\_\_\_ \$ \_\_\_\_\_ Monetary Limit \_\_\_\_\_ (SS#/FIN#) \_\_\_\_\_  
Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_  
Engineers/Geologist Name and Title \_\_\_\_\_ Licence # \_\_\_\_\_

ATTACH COPY OF CONTRACTUAL AGREEMENT WITH CONTRACTOR

SECTION 5. APPLICANT CERTIFICATION

Submitting false information to obtain reimbursement from Underground Storage Tank Petroleum Fund may result in criminal prosecution. I agree to be reimbursed from the Fund for cost that the State deems to be reasonable and necessary. I certify all information in this application is correct and accurate to the best of my knowledge.

Gary W. Price \_\_\_\_\_ Vice President & Chief Engineer  
Print or Type Applicant's Name \_\_\_\_\_ Applicant's Title \_\_\_\_\_  
Applicant's Signature \_\_\_\_\_ 1/22/96 \_\_\_\_\_  
Date \_\_\_\_\_

DO NOT WRITE BELOW THIS LINE FOR TENNESSEE UST PERSONNEL ONLY

Reviewer's Signature: \_\_\_\_\_ Date \_\_\_\_\_  
Fund Eligibility has been----- Approved / Denied \_\_\_\_\_  
Authorization Number Assigned \_\_\_\_\_



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
4th Floor L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

March 27, 1996

Mr. Gary W. Price  
United Cities Gas Company  
Brentwood, TN 37027

RE: UST FUND ELIGIBILITY  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, TN 37027  
FAC #1-820361

Dear Sir:

The Division has reviewed the Authorization for Fund Eligibility form for the above listed facility and has determined that this facility meets the requirements for the fund and, therefore, has been approved eligible. This release occurred after April 5, 1995, therefore, the entry level into the fund will be on a **ten percent** of approved costs basis with a maximum of **Ten Thousand dollars (\$10,000)** based on the number of tanks (**<12**) operated in Tennessee at the time of release.

The eligible tanks located on this site are tanks numbered 1 containing gasoline and tank number 2 containing diesel.

Remember, to stay Fund Eligible and continue Fund Coverage for this release, you must remain in substantial compliance with the technical and financial regulations and meet all deadlines set by our technical review staff. You must continue to use an approved Corrective Action Contractor throughout the entire cleanup process.

If evidence arises that may affect fund eligibility or fund coverage, we reserve the right to use this information in rescinding our decision.

Before any reimbursement can be made, you must provide the Division a signed copy of the contractual agreement with your Corrective Action Contractor pursuant to the Underground Storage Tank Rules and Regulations rule 1200-1-15-.09(15)(b)(2)(v) which states:

**"If the CAC is not the owner or operator of the tank that caused the release, the CAC will have a written contract with the underground storage tank owner and/or operator,**

and the contract shall contain the following sentence conspicuously located on the first page of the contract:

THE CORRECTIVE ACTION CONTRACTOR WILL/WILL NOT (mark one) USE THE DEPARTMENT'S REASONABLE RATE SCHEDULE WHEN INVOICING THE OWNER/OPERATOR FOR THE EXPENSES INCURRED IN THE INVESTIGATION AND CLEANUP OF THIS SITE."

If you have any questions, please feel free to contact me at (615) 532-0975.

Sincerely,

A handwritten signature in cursive script that reads "Blake Evans".

Blake Evans, Manager  
Reimbursement Fund and  
Financial Responsibility  
Division of Underground Storage Tanks  
BCE/MKC FRUST-64D





CERTIFIED MAIL 30,087  
RETURN RECEIPT REQUESTED

STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(423) 854-5400 FAX (423) 854-5401

June 20, 1996

Mr. Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Monitoring Well Abandonment Report  
United Cities Gas Company  
816 Shelby Street, Bristol, Tennessee  
Facility ID # 1-820361, Washington County

Dear Mr. Price:

The Division of Underground Storage Tanks has reviewed the Environmental Assessment Report dated March 11, 1996 for the above referenced facility. Based upon the submitted data, additional monitoring and corrective action are not required.

United Cities Gas Company is required to:

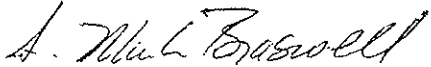
1. Properly abandon all monitoring wells in accordance with Section II.N. of the 1994 Environmental Assessment Guidelines.
2. Submit documentation of the proper disposal or submit a Petroleum Contaminated Soils Treatment Application (Technical Guidance Document - 009 enclosed) for the 76 cubic yards of soil generated during the Closure Assessment remaining stockpiled on-site.
3. Submit documentation stating the laboratory method (SW-846 method 9100, Section 2.8 or Section 2.9?) used to determine soil permeabilities.

Before this case can be considered closed, the above requested information must be submitted to this office by July 22, 1996.

Mr. Gary Price  
June 20, 1996  
Page 2

If you have any questions concerning this correspondence, call 423 / 854 - 5442.

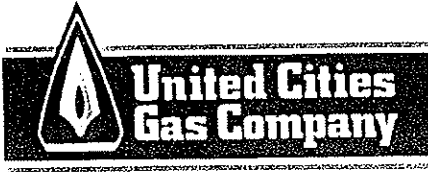
Sincerely,

A handwritten signature in cursive script that reads "S. Mark Braswell".

S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks

xc: ✓ Mr. Stuart Shulz, RPG, United Cities Gas Company, Brentwood, TN  
Nashville UST Central Office - Technical Review Section  
Case File # 1-820361

fo-011f



FILE

July 17, 1996

Mr. S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks  
State of Tennessee  
Dept. of Environment & Conservation  
Johnson City Field Office  
2305 Silverdale Road  
Johnson City, TN 37601-1262

RE:    **UST Closure - Facility I.D.: 1-820361**  
          **United Cities Gas Co.**  
          **816 Shelby Street**  
          **Bristol, TN 37620**

Dear Mr. Braswell:

In response to your letter dated June 20, 1996, United Cities Gas Company ("*United Cities*") has completed the following tasks:

1. All monitoring wells at the above referenced site have been abandoned in accordance with Section II.N. of the 1994 EAG. Notice of completion of this task was sent to you via a letter dated July 10, 1996 by Environmental Pollution Services, Inc. ("*EPS*").
2. Attached please find three (3) Non-Hazardous Special Waste Manifests documenting the proper disposal of all contaminated soil generated during the closure assessment. A total of approximately 50 cubic yards (49.6 tons) of soil was disposed of at BFI Carter Valley Landfill in Church Hill, TN. The original estimate of 76 cubic yards was an over estimate.
3. The laboratory method used to determine soil permeability was SW-846 Method 9100, Section 2.8 as referenced in the July 10, 1996 letter from EPS.

United Cities hopes the completion of these tasks will bring the above referenced site to "closed" status. If you have any questions please do not hesitate to contact either myself or Karol Sole at (615) 373-0104 extensions 405 and 400, respectively.

Sincerely,

Stuart Schulz, RPG  
Project Geologist

Attachments:    Waste Manifests

cc:               Gary Price, Karol Sole/United Cities  
                  Eugenia McCullough/UST Central Office



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(423) 854-5400 FAX (423) 854-5401

August 14, 1996

Mr. Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Case Closure  
United Cities Gas Company  
816 Shelby Street, Bristol, Tennessee  
Facility ID # 1-820361, Washington County

Dear Mr. Price:

The Division of Underground Storage Tanks has reviewed the Well Abandonment Report and additional information letter dated July 17, 1996, for the above referenced facility. Based on the information available, this case is considered closed. However, the Division reserves the authority to require additional action if necessary.

If you have any questions concerning this correspondence, call 423/854-5442.

Sincerely,

A handwritten signature in cursive script that reads "S. Mark Braswell".

S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks

xc: ✓ Mr. Stuart Shulz, RPG, United Cities Gas Company, Brentwood, TN  
Nashville UST Central Office - Technical Review Section  
Case File # 1-820361

fo-010f

*Kepel*  
*Please make*  
*sure bond*  
*while is aware of*  
*this and*  
*knows when*  
*to put the*  
*file*



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
4th Floor L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

June 25, 1997

Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, TN 37027

RE: UST REIMBURSEMENT REQUEST  
United Cities Gas Company - Bristol  
Facility #1-820361  
Request #96-228-02

Dear Sir/Madam:

The Tennessee Division of Underground Storage Tanks (the Division) has reviewed your request for reimbursement of costs associated with the investigation and cleanup at the leaking UST problem at the above mentioned facility.

The Division has forwarded the amount of \$673.90 for payment:

AMOUNT OF REQUEST	\$	748.78
LESS DEDUCTIBLE 10%	\$	74.88
REIMBURSEMENT AMOUNT	\$	673.90

Please allow four weeks from receipt of this letter for delivery of your reimbursement payment.

If you have a contract with your Corrective Action Contractor that stipulates work will be performed at the Division's reasonable cost rates, please refer to the appropriate cost list before paying any invoices to ensure your contractor is charging you the correct rates.

If you have any questions or comments, please contact me at (615) 532-0972.

Sincerely,

*Marilyn Catlin*

Marilyn Catlin  
Regional Reimbursement Coordinator  
Fund Reimbursement and Financial Responsibility  
Division of Underground Storage Tanks  
FRUST-61

**Attachment F**



April 27, 1998

Mr. Stan Boyd  
Johnson City Field Office  
Tennessee Division of Underground Storage Tanks  
2305 Silverdale Road  
Johnson City, TN 37601-2162

**RE: Application for Permanent Closure of UST System  
United Cities Gas Company - Johnson City Service Center  
2833 W. Market Street  
Johnson City, TN 37605  
Facility I.D. Number: 1-900426  
Washington County**

Dear Mr. Boyd:

Please find enclosed an application for permanent closure of the UST system at the above referenced facility.

If you have any questions please call me at 615-373-0104 ext. 405.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RPG  
Project Geologist

Encl. Closure Application



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(423) 854-5400 FAX (423) 854-5401

April 28, 1998

Mr. Stuart Schulz  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Permanent Closure Application - Approved  
United Cities Gas Company - JC Center  
2833 West Market Street  
Johnson City, Tennessee 37605  
Facility ID # 1-900426, Washington County

Dear Mr. Schulz:

The Division of Underground Storage Tanks (Division) has approved the April 27, 1998, Application for Permanent Closure of Underground Storage Tank System for the referenced facility. Enclosed is a copy of the approved application. This copy must be kept at the site during all closure activities.

This office must be notified at least one working day in advance of any major field activities.

If a release is identified during closure procedures, then the following initial response actions must be performed by United Cities Gas Company as required by Rule 1200-1-15-.06(2):

- (a) Report the release to the Division within 72 hours (e.g., by telephone or electronic mail);
- (b) Take immediate action to prevent any further releases of the petroleum into the environment; and
- (c) Take immediate action to identify and mitigate fire, explosion, and vapor hazards.

All Fund eligible work must be conducted and/or overseen by an UST Approved Corrective Action Contractor to be eligible for reimbursement from the Tennessee Petroleum Underground Storage Tank Fund. The current list of approved contractors is enclosed. Also refer to the enclosed Authorization for Fund Eligibility form.

United Cities Gas Company must comply with all applicable federal, state, and local requirements during tank closure activities, including treatment and disposal of contaminated soil and/or groundwater. For information regarding the treatment of petroleum contaminated soils, refer to the enclosed Technical Guidance Document 009.



Mr. Stuart Schulz  
United Cities Gas Company  
April 28, 1998  
Page 2

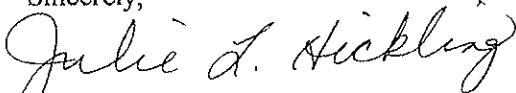
Enclosed is a copy of the Permanent Closure Report Form, Technical Guidance Document 005 and Technical Guidance Document 009. The Permanent Closure Report Form must be completed and submitted with original or carbon copies of the analytical results. Photocopies will **NOT** be accepted.

Before the closure of the UST system can be considered complete, an amended UST Notification Form must be completed, signed, and submitted to the UST Central Office in Nashville. Failure to properly submit the form may result in the assessment of additional UST fees.

1. If tanks are being removed and no additional tanks are being installed, then complete only sections I, II, VIII, and X. The tank identification numbers should correspond with the numbers for these tanks on the previous Notification Form.
2. If additional tanks are to be installed at this facility, then sections IX and XI must also be completed. The identification numbers for the new tanks must be different from the numbers of the tanks which were removed (e.g., Tanks 1, 2, and 3 were removed, Tanks 4, 5, and 6 are to be installed).

If you have any questions concerning this correspondence, call me at (423)854-5444.

Sincerely,

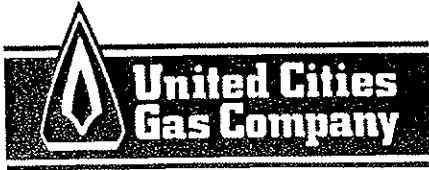


Julie L. Hickling  
Geologist  
Division of Underground Storage Tanks

FO-023h

Enclosures: Approved Closure Application (copy)  
Permanent Closure Report (8/96)  
Technical Guidance Document 005 (8/96)  
Technical Guidance Document 009 (8/96)  
UST Approved Corrective Action Contractors  
Authorization For Fund Eligibility

c: Closure File # 1-900426



January 27, 1999

Ms. Julie L Hickling  
Geologist  
Division of Underground Storage Tanks  
Johnson City Environmental Field Office  
Tennessee Department of Environment and Conservation  
2305 Silverdale Road  
Johnson City, Tennessee 37601-2162

**RE: Permanent Closure Report  
United Cities Gas Company -JC Center  
2833 West Market Street  
Johnson City, Tennessee 37605  
Facility ID# 1-900426, Washington County**

Dear Ms. Hickling:

Enclosed please find the Permanent Closure Report for the above referenced facility documenting the closure of the UST system. A copy of the Amended Notification form has been sent to the Central Office.

Results of the closure assessment indicate that petroleum contamination was not found above the Division's action levels, *i.e.*, a clean closure.

If you have any questions please call me at (615) 771-8405.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RPG  
Project Geologist

Enclosure: Permanent Closure Report

cc: TDEC Central Office



**ENVIRONMENTAL ASSISTANCE CENTER**  
**TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(423) 854-5400      STATEWIDE 1-888-891-8332      FAX (423) 854-5401

October 14, 1999

Mr. Stuart Schulz  
United Cities Gas Company  
810 Crescent Drive, Suite 600  
Franklin, Tennessee 37067-6226

RE: Final Approval of UST Closure  
Uniter Cities Gas Company – JC Center  
2833 West Market Street, Johnson City  
Facility ID # 1-900426, Washington County

Dear Mr. Schultz:

The Division of Underground Storage Tanks has received the analytical results dated January 27, 1999 from the closure assessment for the above referenced facility. The results do not indicate contamination above the applicable cleanup levels. Based on the information available, the 2000-gallon gasoline UST and the 1000-gallon diesel UST approved for closure on the application dated April 27, 1998 can be considered closed. At this time no further investigation is required. However, the Division reserves the right to require additional action if necessary.

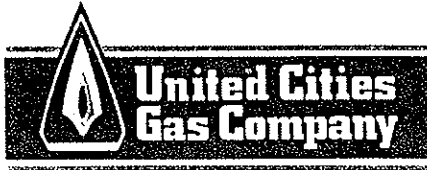
If you have any questions concerning this correspondence, please don't hesitate to contact me at 854-5445.

Sincerely,

Chris D. Lawson  
Environmental Specialist  
Division of Underground Storage Tanks

xc: Closed File 1-900426

## Attachment G



FILE

September 18, 1995

Mr. Rick Whitson  
Johnson City Field Office  
Tennessee Division of Underground Storage Tanks  
2305 Silverdale Road  
Johnson City, TN 37601

RE: Notice of Intent to Close by Removal UST Systems  
Johnson City, TN (Facility I.D.# 1-900431) and  
Bristol, TN (Facility I.D. # 1-820361)

Dear Mr. Whitson:

Please find enclosed two (2) applications for permanent closure of underground storage tank systems. The UST systems are located in Johnson City, TN (Facility I.D.# 1-900431) and Bristol, TN (Facility I.D. # 1-820361).

We hope to initiate removal activities the week of October 16, 1995. Your prompt attention is requested. If you have any questions please call me at 615-373-0104 extension 405.

Respectfully,

Stuart Schulz, RPG  
Project Geologist

cc: TDEC-DUST Central Office



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(615) 854-5400 FAX (615) 854-5401

September 22, 1995

Mr. Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Permanent Closure Application - Approved  
United Cities Gas Company  
Tennessee Street & Security Lane, Johnson City, Tennessee  
Facility ID # 1-900431, Washington County

Dear Mr. Price:

The Division of Underground Storage Tanks has approved your Application for Permanent Closure of Underground Storage Tank Systems dated September 18, 1995, for the above referenced facility. Enclosed is a copy of the approved application. This copy must be kept at the site during all closure activities.

This office must be notified **at least one working day** in advance of any major field activities.

If a release is identified during closure procedures, then the following initial response actions must be performed by United Cities Gas Company as required by Rule 1200-1-15-.06(2):

- (a) Report the release to the Division within 72 hours (e.g., by telephone or electronic mail);
- (b) Take immediate action to prevent any further releases of the petroleum into the environment; and
- (c) Take immediate action to identify and mitigate fire, explosion, and vapor hazards.

**All Fund eligible work shall be conducted and/or overseen by an UST Approved Corrective Action Contractor.** The current list of approved contractors is enclosed. Also refer to the enclosed Authorization for Fund Eligibility form.

United Cities Gas Company must comply with all applicable federal, state, and local requirements during tank closure activities, including treatment and disposal of contaminated soil and/or groundwater. For information regarding the treatment of petroleum contaminated soils, refer to the enclosed Technical Guidance Document 009.

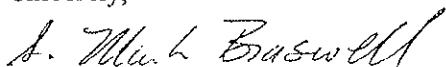
Enclosed is a copy of the Permanent Closure Report Form, Technical Guidance Document 005 and Technical Guidance Document 009. The Permanent Closure Report Form must be completed and submitted with original or carbon copies of the analytical results. Photocopies will **NOT** be accepted.

Before the closure of your UST system can be considered complete, an amended UST Notification Form must be completed, signed, and submitted to the UST Central Office in Nashville. Failure to properly submit the form may result in the assessment of additional UST fees. To assist you in properly completing the Notification Form, the following instructions should be followed:

1. If tanks are being removed and no additional tanks are being installed, then complete only sections I, II, VIII, and X. The tank identification numbers should correspond with the numbers for these tanks on the previous Notification Form.
2. If additional tanks are to be installed at this facility, then sections IX and XI must also be completed. The identification numbers for the new tanks must be different from the numbers of the tanks which were removed (e.g., Tanks 1, 2, and 3 were removed, Tanks 4, 5, and 6 are to be installed).

If you have any questions concerning this correspondence, call 423 / 854 - 5442.

Sincerely,

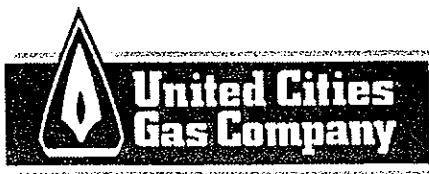


S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks

Enclosures: Approved Closure Application (copy)  
Permanent Closure Report Form (1/94)  
Technical Guidance Document 005 (1/94)  
Technical Guidance Document 009 (1/94)  
Authorization For Fund Eligibility

xc: ✓ Mr. Stuart Shulz, RPG, United Cities Gas Company, Brentwood, TN  
Closure File # 1-900431

fo-023f



FILE

November 30, 1995

Mr. S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks  
State of Tennessee  
Dept. of Environment & Conservation  
Johnson City Field Office  
2305 Silverdale Road  
Johnson City, TN 37601-1262

**RE: UST Closure - Facility I.D.: 1-900431  
United Cities Gas Co.  
Tennessee St. and Security Lane  
Johnson City, TN 37604**

Dear Mr. Braswell:

Enclosed please find the Closure Report documenting the removal of a 2000 gallon gasoline Underground Storage Tank ("UST") from the above referenced facility. This transmittal letter also serves to provide additional data to support United Cities position that the petroleum contamination detected during closure activities did not result from the gasoline UST, but is the result of "diesel type" fuel oil stock used in the historical operation of the facility as a Manufactured Gas Plant ("MGP").

As per our conversation on-site October 19th, petroleum impacted soil and groundwater was detected during the UST removal. Groundwater was encountered at a depth of approximately 6.3 feet below ground surface. After pumping approximately 580 gallons of water from the tank pit, a groundwater sample was collected and submitted to Tri-State Analytical Laboratory in Johnson City for BTEX, TPH-GRO/DRO and PAH analysis. TPH-DRO and PAH analysis were added due to a noticeable diesel type odor and the association of PAH's with MGP waste streams.



Results of the groundwater analysis are summarized in Table 1 and indicate benzene and total petroleum hydrocarbon concentrations greater than the most stringent UST program action levels. Although BTEX and TPH-GRO were detected, the highest concentrations detected were diesel range organics. Diesel fuel was never stored in the regulated UST. Six PAH compounds were detected.

**Table 1**  
**Groundwater Sample Results**  
**(mg/L)**

Sample I.D.	Total BTEX	TPH-GRO	TPH-DRO	Total TPH	Total PAH's
<b>Tank Pit Water</b>	0.115*	0.4	15	15.4*	0.19
	Benzene 0.011				Naphthalene 0.007
	Toluene 0.030				Phenanthrene 0.005
	Ethylbenzene 0.025				Pyrene 0.003
	Xylene 0.049				Acenaphthene 0.002
					Anthracene 0.001
					Benzo(a)anthracene 0.001

\* = Result greater than TDEC UST Action Level of 0.005 mg/L for Benzene and 0.1 mg/L for TPH

ND = Not Detected

Detection Limit 0.001 mg/L for BTEX

Detection Limit 0.1 mg/L for TPH-GRO

Detection Limit 0.1 mg/L for TPH-DRO

Detection Limit 0.001 mg/kg for PAH's

In addition to the groundwater sample collected from the tank pit, soil samples were collected from the four corners of the tank pit just above the static water level (See attached site map for sample locations). Soil samples were also submitted for BTEX, TPH -GRO/DRO and PAH analysis. Results of these analysis are summarized in Table 2 and indicate only the northwest corner of the pit soils contains residual contamination greater than the most stringent UST program action levels. Again the primary constituents detected were diesel range organics, not gasoline. Eleven of sixteen PAH's were detected in two samples at low concentrations including fluoranthene and naphthalene.

**Table 2**  
**Soil Sample Results**  
**(mg/kg)**

<b>Sample I.D.</b>	<b>Total BTEX</b>	<b>TPH-GRO</b>	<b>TPH-DRO</b>	<b>Total TPH</b>	<b>Total PAH's</b>
<b>NE Corner</b>	ND	ND	ND	ND	ND
<b>SE Corner</b>	2	ND	ND	ND	ND
<b>NW Corner</b>	21*	93	867	960*	21.7 Phenanthrene 14.7 Anthracene 2.3 Naphthalene 2.2 Fluorene 1.4 Acenaphthene 1.1
<b>SW Corner</b>	6	12	33	45	5 Phenanthrene 1.0 Fluoranthene 1.0 Pyrene 0.7 Benzo(a)anthracene 0.6 Benzo(k)fluoranthene 0.6 Anthracene 0.4 Chrysene 0.4 Benzo(a)pyrene 0.3

\* = Result greater than TDEC UST Action Level of 10 mg/kg for Benzene and 100 mg/kg for TPH

ND = Not Detected

Detection Limit 1 mg/kg for BTEX

Detection Limit 5 mg/kg for TPH-GRO

Detection Limit 4 mg/kg for TPH-DRO

Detection Limit 0.3 mg/kg for PAH's

### **History of Manufactured Gas Production**

From the mid-1800's until the 1950's manufactured gas plants were widely used for producing gas for lighting and heating from coal and/or oil. Prior to World War II, there were over 1,000 such plants distributed throughout the United States. When interstate pipelines for natural gas transmission were introduced in the mid-1950's, manufactured gas plants were no longer required to provide gas to communities.

### **Manufactured Gas Process at Tennessee Street**

Gas plants used a variety of processes to make gas from coal and/or oil. The most prevalent form of manufactured gas was water gas<sup>1</sup>. The Tennessee Street MGP operated from 1915 until 1946 (31 years). Both the coal gas and the water gas processes were used during the plants operational history.

Water gas was produced by passing steam over hot coal or coke resulting in a gas commonly referred to as "blue gas". Blue gas typically had a heating value of 300 BTU per cubic feet. The heating value of blue gas was increased by thermal cracking of petroleum oils in the hot gas. The

<sup>1</sup> Environmental Research & Technology, Inc. and Koppers Company, Inc., Handbook on Manufactured Gas Plants, September 1984, pg.3-2.

result was a gas with a heating value ranging from 500 to 1,000 BTU per cubic foot. The feedstock oil typically used in the water gas process was gas oil. Gas oil has the same characteristics of diesel oil.<sup>2</sup> Typical characteristics of fuel oil feedstocks consisted of 8 to 14% aromatics, 16 to 26% olefins, 44 to 62% paraffins, and 12 to 19% naphthalenes.<sup>3</sup> Diesel oil replaced gas oil as the demand for gas oil for the manufacture of gasoline and diesel fuel absorbed its supply.

### **Location of Feedstock ASTs**

Review of historical Sanborn Maps and an aerial photograph provided information on the location of the feedstock storage.

A 1948 Sanborn Map indicates two "oil tanks" northwest of the plant buildings located approximately adjacent to where the regulated UST was removed (See Attached Map).

An aerial photograph dated 1958 clearly shows the location of the two oil aboveground storage tanks ("ASTs"). Also visible is a concrete wall surrounding the most westerly AST. The east wall of this structure was encountered during excavation of the UST as the westerly limit of the UST excavation (See Attached Photograph).

### **MGP Site Waste Characteristics**

Information obtained from 33 MGP site investigation reports was summarized in a recent Draft Report prepared for the Gas Research Institute ("GRI") to provide a perspective of the typical wastes and chemicals which may be found at MGP sites.

A review of the analytical data indicated that benzene and toluene were detected in 42 to 50 percent of the soil samples analyzed. PAH compounds were detected in 30 to 60 percent of the soil samples analyzed. Two compounds, fluoranthene and naphthalene, were detected at all sites. Similar trends were reported for groundwater analysis.<sup>4</sup>

Results of soil and water samples collected from the Tennessee Street UST pit closely match the results presented in the GRI report, on manufactured gas plants. Table 3 compares the GRI survey results with the Tennessee Street Tank Pit analytical results.

---

<sup>2</sup> American Gas Association, Inc., Gas Engineers Handbook, 1965, pg.2/28.

<sup>3</sup> Gas Research Institute, Draft Report, Management of Manufactured Gas Plants, Volume 1: Wastes and Chemicals of Interest, Revised Draft August, 1995, pg.2-6.

<sup>4</sup> Gas Research Institute, Draft Report, Management of Manufactured Gas Plants, Volume 1: Wastes and Chemicals of Interest, Revised Draft October, 1995, pg.3-13.

**Table 3**  
**Comparison of Typical MGP Waste Characteristics**  
**to Tennessee Street Analytical Results**  
**(Soil Samples)**

<b>Chemical Detected</b>	<b>Typical MGP Site<sup>1</sup></b>	<b>Tenn. St. Tank Pit<sup>2</sup></b>
Benzene	50 %	50%
Toluene	42%	75%
Ethylbenzene	20%	50%
Xylenes	13%	0%
PAHs	30 - 60 %	50%

<sup>1</sup> Total number of MGP sites in database was 33. Value represents the minimum number of sites with detectable concentrations. Similar comparisons can be made for groundwater samples.

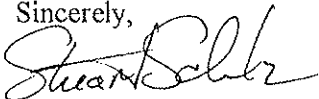
<sup>2</sup> Percentage of detectable concentrations from 4 soil samples from UST pit.

In summary, United Cities Gas Company believes the petroleum contamination detected during the closure of the regulated UST system is the result of historical operation of the Tennessee Street MGP, not the gasoline UST based on the following:

- Historical maps and aerial photograph identify two "oil" ASTs were formerly located at the approximate location of the UST removal;
- Diesel was the primary compound detected in soil and groundwater analysis;
- Diesel and "diesel type" feedstock fuels were historically used in the manufactured gas process formerly utilized on-site;
- "Gasoline type" compounds detected in the soil and water samples are compounds which are also commonly associated with MGP fuel oil feedstocks;
- Aromatics and PAH compounds detected in soil and groundwater from the UST pit correlate well with the most common compounds detected at MGP sites.

Based on the information herein presented, United Cities respectfully requests the Division consider the regulated UST system closed. If you have any questions please do not hesitate to contact either myself or Karol Sole at (615) 373-0104 extensions 405 and 400 respectively.

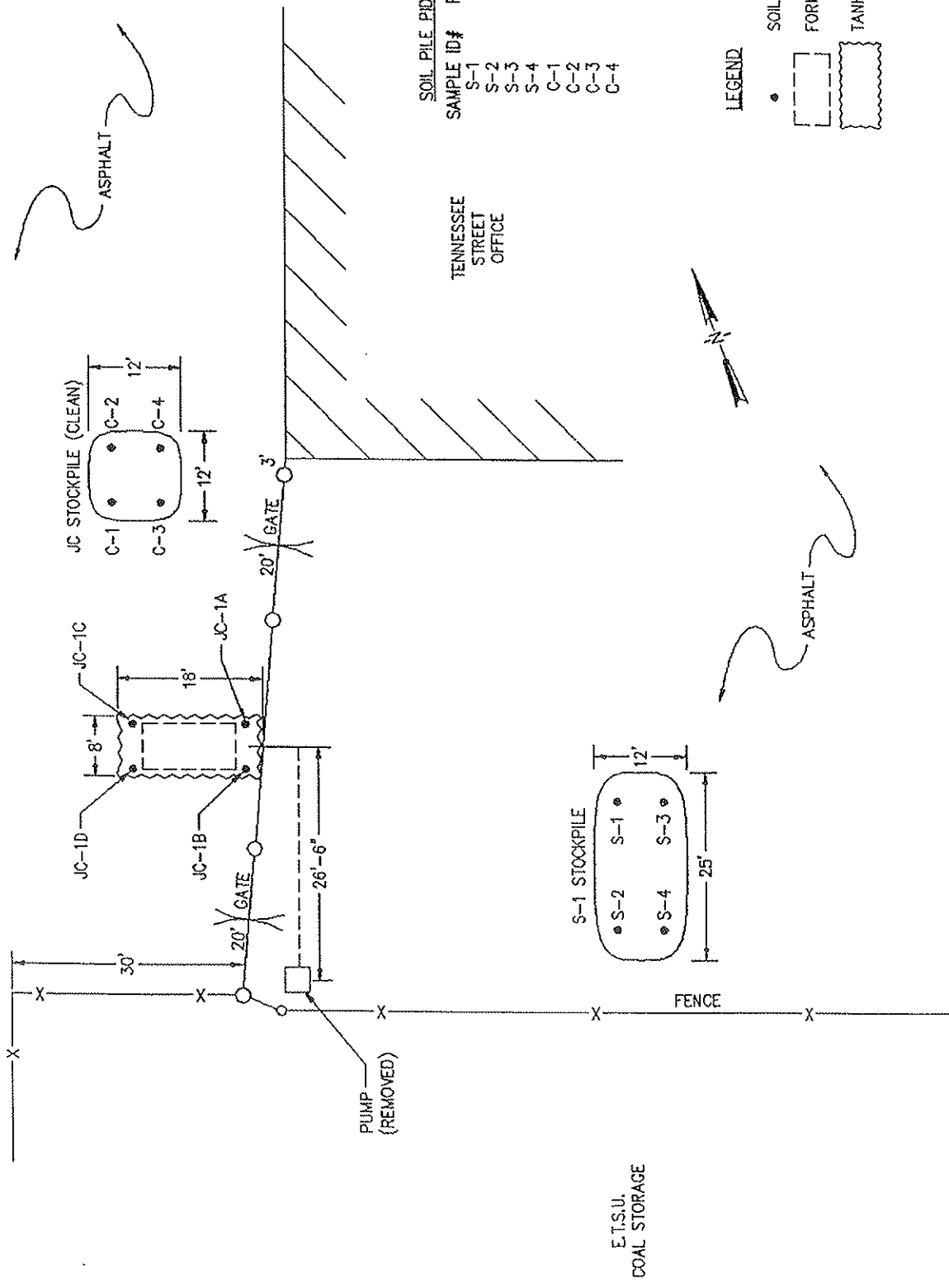
Sincerely,



Stuart Schulz, RPG(1498)  
Project Geologist

cc: Closure Notification Form Only/Central Office





SCALE: 1" = 20'	TITLE: CLOSURE ASSESSMENT	PROJECT: UST REMOVAL OPERATIONS UNITED CITIES GAS COMPANY TENNESSEE STREET/SECURITY LANE JOHNSON CITY, TN	CLIENT: UNITED CITIES GAS COMPANY 5300 MARYLAND WAY BRENTWOOD, TN 37207	<b>four seasons</b> environmental A GREAT LAKES CHEMICAL CORPORATION COMPANY GREENSBORO, NORTH CAROLINA
DATE: 11-9-95				
DWN. BY: DUS				
DWG. # 9596003A				

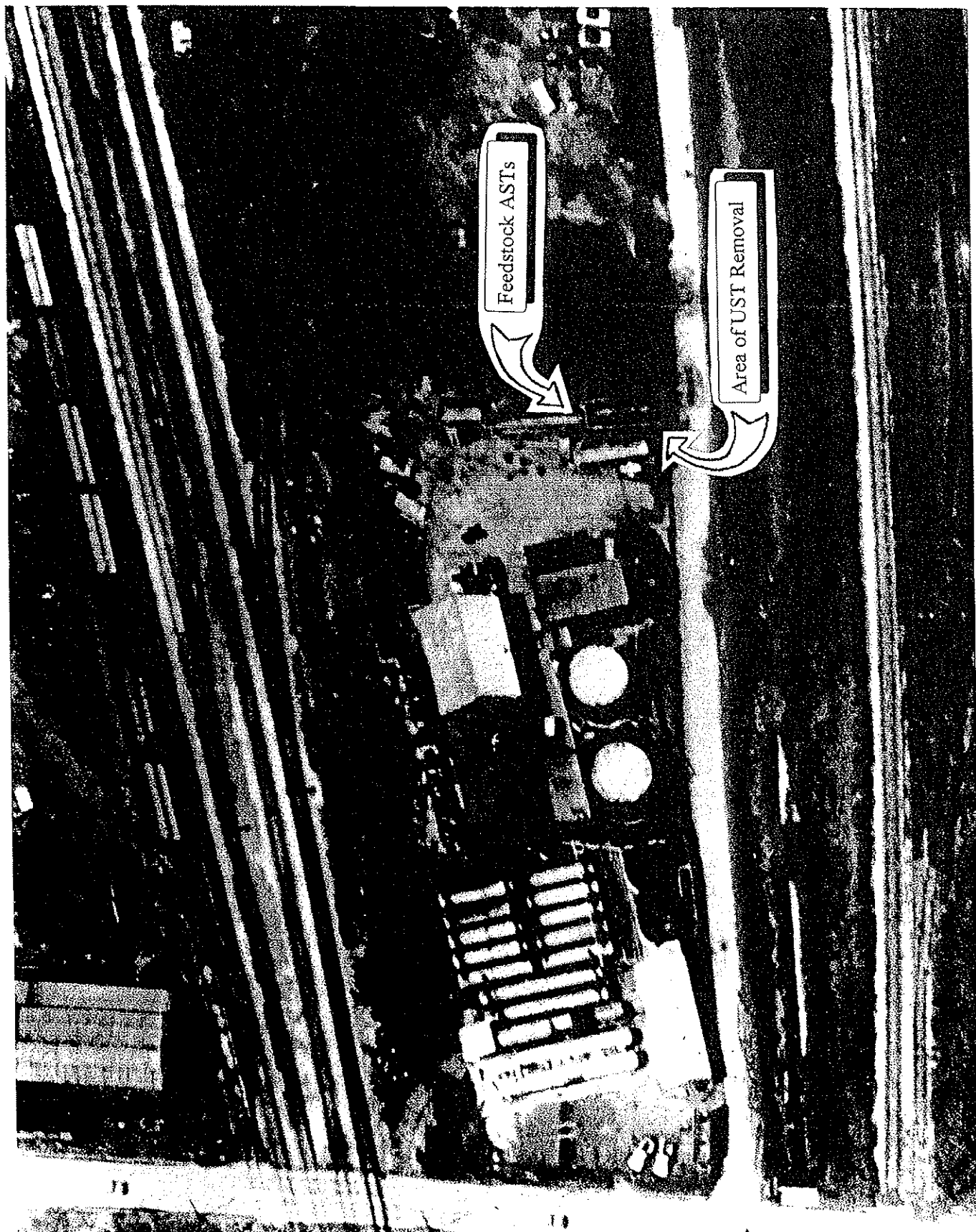


Photo Date 1958

Tennessee St. MGP



CERTIFIED MAIL 30,293  
RETURN RECEIPT REQUESTED

STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2182  
(615) 854-5400 FAX (615) 854-5401

December 14, 1995

Mr. Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Release Response and Corrective Action  
United Cities Gas Company  
Tennessee Street & Security Lane, Johnson City, Tennessee  
Facility ID # 1-900431, Washington County

Dear Mr. Price:

The Division of Underground Storage Tanks (Division) has reviewed the Permanent Closure Report and subsequent correspondence dated November 29, 1995, November 30, 1995, and December 5, 1995 for the above referenced facility. The Division concludes that a petroleum release has not been disproved for the following reasons:

1. The frequency table provided does not 'fingerprint' relative contaminant levels in association with manufactured gas plants (MGPs) in general nor this site specifically.
2. The frequency table is invalid in that the number of samples collected is inadequate (Tennessee Street tank pit) for a statistically valid comparison.
3. Negative conclusions from the frequency table are as valid as positive conclusions, for instance 50 % of the 'Typical MGP Sites' did not contain benzene nor 30 to 60 % did not contain PAHs.
4. The selection of the 33 MGPs is not explained such that bias concerns were eliminated or reduced.
5. A comparison of known gasoline releases to the aromatic results of the groundwater sample collected yields similar relative concentrations of benzene, toluene, and xylenes.
6. One soil sample which did not contain detectable levels of TPH-GRO/DRO nor PAHs, did contain benzene & toluene, aromatics common to gasoline.



7. The Division observed pitting and an abundance of holes in the underground storage tank the morning after removal. The Material Manifest dated October 18, 1995 describes the material shipped as 'diesel fuel, water', and consisted of '300 gallons emulsion sludge' and '760 gallons liquid'. Both of these items support a petroleum release from the underground storage tank.
8. Although TPH-DRO & PAHs were present, TPH-GRO (0.4 parts per million (ppm)) and benzene (0.011 ppm) were also present above the Division's most stringent clean-up levels (0.1 & 0.005 ppm, respectively) in the 'floor groundwater sample'. Furthermore the 'JC-1C' soil sample contained total benzene, toluene, and xylene (21 ppm) above the Division's most stringent clean-up level of 10 ppm. This data confirms a petroleum release to the environment.

Rule 1200-1-15-.06 of the Tennessee Petroleum Underground Storage Tank Regulations requires that United Cities Gas Company take immediate action to prevent any further release of petroleum into the environment and to identify and mitigate fire, explosion, and vapor hazards.

Rule 1200-1-15-.06(3) requires that owners and operators, in response to a confirmed release from an underground storage tank system, perform initial abatement measures. These measures must include the following:

1. Remove as much of the petroleum from the UST system as is necessary to prevent further release to the environment;
2. Visually inspect any aboveground releases or exposed belowground releases and prevent further migration of the petroleum into surrounding soils and groundwater;
3. Continue to monitor and mitigate any additional fire and safety hazards posed by vapors or free product that have migrated from the UST excavation zone and entered into subsurface structures (such as sewers or basements);
4. Remedy hazards posed by contaminated soils that are excavated or exposed as a result of release confirmation, site investigation, abatement, or corrective action activities. If these remedies include treatment or disposal of soils, the owner and/or operator must comply with applicable state and local requirements; and
5. Investigate to determine the possible presence of free product, and begin free product removal as soon as practicable and in accordance with Rule 1200-1-15-.06(5). If free product is discovered, the rule also requires that owners and operators submit a **Free Product Removal Report (FPRR)** to the Division within 45 days of the date of free product discovery. The FPRR shall be prepared in accordance with the appropriate format.

Rule 1200-1-15-.06(3)(b) requires that a report, summarizing the initial abatement steps taken and any resulting information or data, be submitted to the Division. The **Initial Abatement Report (IAR)** shall be submitted by January 3, 1996. The IAR shall be prepared in accordance with the enclosed format.

Rule 1200-1-15-.06(4) requires that owners and operators assemble information about the site and the nature of the release. This information must include, but is not necessarily limited to the following:

1. Data on the nature and estimated quantity of release;
2. Data from available sources and/or site investigations concerning the following factors: surrounding populations, water quality, use and approximate locations of wells potentially affected by the release, subsurface soil conditions, locations of subsurface sewers, climatological conditions, and land use; and
3. Results of the free product investigations required under Rule 1200-1-15-.06(3)(a)6. If free product is discovered, Rule 1200-1-15-.06(5) requires that owners and operators submit a **Free Product Removal Report (FPRR)** to the Division within 45 days of the date of free product discovery. The FPRR shall be prepared in accordance with the appropriate format.

Rule 1200-1-15-.06(4)(b) requires that a report summarizing this information be submitted to the Division. The **Initial Site Characterization Report (ISCR)** shall be submitted by January 29, 1996. The ISCR shall be prepared in accordance with the appropriate format.

United Cities Gas Company shall:

1. Install the initial five (5) soil borings and four (4) monitoring wells by January 29, 1996.
2. Refer to the enclosed Technical Guidance Document - 014 to determine if the site is eligible for the UST Site Ranking System.

If the site is eligible for ranking and the numerical ranking score for the site is below 500, then United Cities Gas Company shall either:

1. Submit all data from the initial five (5) soil borings and four (4) monitoring wells in an **Environmental Assessment Report (EAR)** by March 13, 1996; or,

2. Determine the full extent of contamination in the soil and groundwater to the applicable cleanup levels and submit the resulting data in an **EAR** by April 12, 1996.

If the site is not eligible for ranking or the numerical ranking score for the site is at or above 500, then United Cities Gas Company shall:

1. In accordance with Rule 1200-1-15-.06(6)(a), determine the full extent of contamination in the soil and groundwater to the applicable cleanup levels.
2. In accordance with Rule 1200-1-15-.06(6)(b), submit an **Environmental Assessment Report (EAR)** by April 12, 1996.
3. In accordance with Rule 1200-1-15-.06(7)(a), submit a **Corrective Action Plan (CAP)** by May 13, 1996.

All assessment activities shall be conducted in accordance with the **Environmental Assessment Guidelines**. The **EAR** and **CAP** shall be prepared in accordance with the appropriate guidelines.

**All Fund eligible work shall be conducted and/or overseen by an UST Approved Corrective Action Contractor.** The current list of approved contractors is enclosed. To determine if a site is Fund eligible, the enclosed Authorization for Fund Eligibility Form must be completed and submitted to the Nashville Central Office. If this facility is not Fund eligible, contact this office to obtain the necessary guidelines and report forms.

T.C.A. 68-215-121(a)(1) states that "Any person who violates or fails to comply with any provision of this chapter, any order of the commissioner or board, any rule, regulation, or standard pursuant to this chapter shall be subject to a civil penalty not to exceed ten thousand dollars (\$10,000) per day for each day of violation. This civil penalty may be assessed by the commissioner, the board or the court. Each day such violation continues shall constitute a separate punishable offense, and such person shall also be liable for any damages to the state resulting therefrom."

Efforts to resolve this environmental problem will be considered, should the Division decide to pursue enforcement action.

Rule 1200-1-15-.09(11) states that a fund eligible owner or operator conducting UST corrective action is entitled to Fund coverage of reasonable costs, subject to certain provisions. The owner or operator must comply with the requirements set forth in Rule 1200-1-15-.06 as outlined in this letter. If this facility is Fund eligible, failure to comply with these requirements may result in the loss of fund coverage of the corrective action costs associated with this release.

Mr. Gary Price  
December 14, 1995  
Page 5

This office must be notified at least one day in advance of any major field activities.

United Cities Gas shall also submit addenda to the Permanent Closure Report by January 15, 1996 that addresses the following deficiencies:


1. The original laboratory report sheet for the PAH analysis for the 'floor groundwater sample' was not submitted.
2. None of the original laboratory analysis sheets contained the sample collection time, the Facility ID #, nor the depth from ground surface.
3. The 'floor groundwater sample' chain of custody form did not indicated the 'year' collected.
4. The stockpiled soil shipping manifests were not included.

Send one copy of all correspondence, including reports, to this office and one copy to:

Division of Underground Storage Tanks  
4th Floor, L & C Tower  
401 Church Street  
Tennessee Department of Environment and Conservation  
Nashville, Tennessee 37243-1541

If you have any questions concerning this correspondence, call (423) 854-5442.

Sincerely,



S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks

Enclosures: Initial Abatement Report Format (1/94)  
Technical Guidance Document - 014  
UST Approved CAC List  
Authorization For Fund Eligibility

xc: ✓ Mr. Stewart Schulz, United Cities Gas Company, 5300 Maryland Way, Brentwood,  
TN 37027  
Nashville UST Central Office - Technical Review Section  
Case File # 1-900431

fo-005f



CERTIFIED MAIL 30,515  
RETURN RECEIPT REQUESTED

STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
JOHNSON CITY ENVIRONMENTAL FIELD OFFICE  
2305 SILVERDALE ROAD  
JOHNSON CITY, TENNESSEE 37601-2162  
(423) 854-5400 FAX (423) 854-5401

February 27, 1996

Mr. Gary Price  
United Cities Gas Company  
5300 Maryland Way  
Brentwood, Tennessee 37027

RE: Supplemental Site Investigation Workplan - Approved with Modifications  
United Cities Gas Company  
Tennessee Street & Security Lane, Johnson City, Tennessee  
Facility ID #1-900431, Washington County

Dear Mr. Price:

The Division of Underground Storage Tanks (Division) has reviewed the Supplemental Site Investigation Workplan dated February 9, 1996 for the above referenced facility. The Division approves the Workplan with the following modifications:

1. One of the purposes of the additional activities is to roughly determine the potentiometric surface and flow direction of the groundwater aquifer in the vicinity of the former underground storage tank (UST).
  - a) The Division requires an "upgradient" monitoring well to be installed and sampled for the constituents as outlined in the workplan to determine "background" contaminant levels, the potentiometric surface, and to give a general concept of the extent of horizontal contamination.
  - b) The Division requires an additional "downgradient" monitoring well to be installed and sampled for the constituents as outlined in the workplan between the area of concern (former locations of the above ground storage tanks & the UST ) and Brush Creek. Again this will help determine the potentiometric surface and give a relative concept of the extent of horizontal contamination.
2. The Division does not approve the conclusions nor the decision matrix presented after the scenarios listed on pages *i* and 6. The regulatory authority of the site will be determined by the Department from the results of workplan implementation. The Division will make referrals and consultations as necessary.

The Division notes that positive laboratory identifications may lead to positive conclusions concerning the source(s) of petroleum contamination; however, negative results may not lead to negative conclusions. For example, the presence of gasoline additives (MTBE, TEL, & EDB) may lead to the conclusion of a gasoline release, but the absence of these additives may not lead to the conclusion that a gasoline release did not occur due the additives' physical characteristics relative to their fate in the environment given the date(s) of the release(s) and site specific fate & transport mechanisms.

The Division also notes that suspicion of a gasoline release from the UST is heavily influenced by the physical condition of the UST as observed when removed from the ground. As observed by myself and representatives of United Cities Gas Company, the UST had several visible corrosion holes. United Cities Gas Company may desire to explain to the Division in the report of workplan implementation findings, a logical reason that could explain no petroleum releases from an UST in this physical condition given rates of infiltration, fluctuation of the water table, fuel filling practices, and the reason the UST was no longer used beginning in November, 1994.

The report of the workplan implementation findings shall be submitted to the Division by no later than June 7, 1996.

The Division shall be notified at least one business day in advance of any major field activities.

Send one copy of all correspondence, including reports, to this office and one copy to:

Tennessee Department of Environment and Conservation  
Division of Underground Storage Tanks  
4<sup>th</sup> Floor, L & C Tower  
401 Church Street  
Nashville, Tennessee 37243-1541

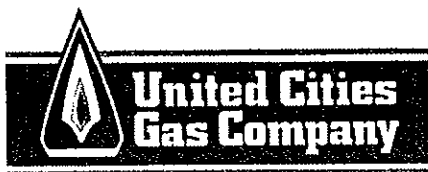
If you have any questions concerning this correspondence, call (423) 854-5442.

Sincerely,



S. Mark Braswell  
Geologist  
Division of Underground Storage Tanks

xc: ✓ Mr. Stewart Schulz, United Cities Gas Company, 5300 Maryland Way,  
Brentwood, TN 37027  
Nashville UST Central Office - Technical Review Section  
Case File # 1-900431



**FILE**

May 28, 1996

Ms. Nona Bryant  
Department of Environment and Conservation  
Division of Underground Storage Tanks  
Authorization for Fund Eligibility  
4th Floor, L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

**RE: Submittal of Authorization for Fund Eligibility  
United Cities Gas Company  
Tennessee Street and Security Lane  
Johnson City, TN 37604  
Facility I.D.# 1-900431**

Dear Ms. Bryant:

Enclosed please find an Authorization Form for Reimbursement from the Petroleum Underground Storage Tank Fund for the above referenced United Cities' facility.

If you have any questions or require additional information please do not hesitate to contact me at (615) 373-0104 extension 405.

Sincerely,

A handwritten signature in cursive script, appearing to read "Stuart Schulz".

Stuart Schulz, RPG  
Project Geologist

Enclosures: Authorization Form with attachments

cc: Gary Price, Karol Sole



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
4th Floor L & C Tower  
401 Church Street  
Nashville, TN 37243-1541

August 21, 1996

Mr. Gary W. Price  
United Cities Gas Co.  
5300 Maryland Way  
Brentwood, TN 37027

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
Z 061 037 666

RE: FUND ELIGIBILITY DENIED  
United Cities Gas Co.  
Johnson City, TN  
FAC #1-900431

Dear Sir:

The Division of Underground Storage Tanks has received and reviewed the Authorization for Fund Eligibility form submitted for the facility mentioned above.

The requirements for Fund Eligibility are:

1. Tanks must have been in use after the effective date of the Act which was July 1, 1988.
2. Tanks must be properly registered.
3. All tanks fees must be paid in a timely manner.
4. The site must remain in substantial compliance with all UST regulations.

The UST Act gave a one(1) year grace period for those owners and/or operators who wished to operate tanks and become a member of the fund. This is in reference to T.C.A. 68-215-106(a)(1) or (a)(2), which states that within one(1) year after the enactment of this chapter (July 1, 1988), tanks in use or tanks that were taken out of service after January 1, 1974 must notify the commissioner of their existence.

On November 5, 1990 the Division issued a policy which required a tank owner to do three things to establish Fund eligibility for existing tanks that had not been registered:

1. Complete and submit a Notification form;
2. Pay all fees and late payment penalties owed;



3. Complete a site check to insure the site was not above our action limits for BTX and TPH constituents.

Upon reviewing the available files for this facility, the following conclusion(s) have been reached:

A) A clean site check has not been submitted to the Division.

**Based on the information in our files, one of the three requirements were not met, therefore this facility has never established Fund Eligibility.**

The Underground Storage Tank Rules state in rule 1200-1-15-09(5)(a) "If at the time of discovery of a release, the Division determines that the owner/operator has failed to establish fund eligibility or has lost fund eligibility in accordance with subparagraph (4)(a), corrective action costs and/or third party damages associated with that release are not eligible for coverage by the Fund."

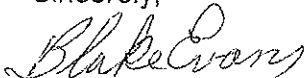
Therefore this site is being **denied** for Fund Reimbursement.

If you disagree with this determination, you have the opportunity to file a written petition pursuant to Underground Storage Tank Rule 1200-1-15.09(5)(e) stating why you believe this is not a proper application of the UST Act and Regulations. The petition must be received by the commissioner of the Department of Environment and Conservation within 30 days of receipt of this determination. **If this petition is not received in 30 days the decision is final and you forfeit any right to appeal this decision.** It should be addressed to Commissioner Justin Wilson and mailed in care of:

Charles L. Head  
Department of Environment and Conservation  
Division of Underground Storage Tanks  
L & C Tower, 4th Floor  
401 Church Street  
Nashville, TN 37243-1541

If you have any questions or comments, please feel free to contact either myself at (615) 532-0975.

Sincerely,



Blake Evans, Manager  
Fund Reimbursement and  
Financial Responsibility  
Division of Underground Storage Tanks

BCE/MKC  
FRUST74

**Schedule GW-2**

**Order**

**Tennessee Public Service Commission**

**Docket No. 94-02529**

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION

Nashville, Tennessee  
October 4, 1994

IN RE: APPLICATION OF UNITED CITIES GAS COMPANY FOR  
THE DEFERRAL OF ACCOUNTS INCURRED IN CONNECTION  
WITH ENVIRONMENTAL CONTROL REQUIREMENTS

DOCKET NO. 94-02529

ORDER

This matter is before the Commission upon the Application of United Cities Gas Company (United Cities or Company) for approval of the deferral of accounts incurred in connection with state and federally mandated environmental control requirements.

United Cities states that various federal and state agencies have imposed environmental control requirements which require local natural gas distribution companies, such as United Cities, to meet applicable standards relative to the clean-up of underground storage tanks (UST's) and manufactured gas plant sites (MGP's). United Cities must meet these regulations and has identified certain current and former operation sites in Tennessee which require environmental cleanups.

United Cities has identified five (5) underground storage tank sites in Tennessee, including Franklin, Kingsport, Bristol and Johnson City, which has two. Work began in August in Franklin. United Cities is required to take action on all five

UST's in Tennessee by December 31, 1994. The Company has estimated a range of costs associated with compliance for these UST's, the lower end of which is \$70,000 for all five tanks, and the upper end of which is \$4,250,000. The lower figure would apply if the tanks are removed and no soil contamination is present, while the upper end of the range is based upon actual UST cleanups in Tennessee. It is also possible that the Company may encounter other contamination from an abandoned MCP which would increase this upper end estimate.

United Cities Gas Company is requesting authorization to defer in Account 186 all costs incurred in connection with the assessment and cleanups required under the environmental guidelines cited above. United Cities is not requesting approval of any ratemaking treatment of these costs at this time. The review and appropriate disposition of these costs would be reserved for and determined in the Company's next application for adjustment of its rates and charges. United Cities states that any refunds or reimbursement received from state funds, insurance companies or other third parties will be credited to Account 186. Similar action has previously been granted to Piedmont Natural Gas Company (Nashville Gas Company) on December 21, 1992 in Docket No. 92-16160.

By Order entered September 23, 1994, the Consumer Advocate Division was permitted to intervene in this docket. On September 27, 1994, the Consumer Advocate Division filed a Memorandum with the Commission which stated, inter alia, as follows:

"The Consumer Advocate does not object to the approval of United Cities' request to defer the costs, provided that the approval is not perceived to indicate that any of the costs are to be included in the rates or otherwise billed to the ratepayers. If and when the Company proposes to require ratepayers to pay for these clean-up cost, we will request a hearing on that issue."

As stated above, United Cities has not requested any rate treatment or the approval of any other disposition of the costs which it proposes to defer. It states that this issue will be reserved for determination in its next rate case, at which time a hearing may be had.

The Commission considered this matter at the Commission Conference held on October 4, 1994. It was concluded after careful consideration of the entire record that the request by United Cities, which is not opposed by the Consumer Advocate Division, is reasonable and appropriate, and that the same should be approved.

IT IS, THEREFORE, ORDERED:

1. That the Application of United Cities Gas Company for approval of the deferral of accounts incurred in connection with state and federally mandated environmental control requirements be and the same is hereby approved.


2. Said deferral and any applicable credits shall be made to Account 186 as set forth in United Cities' Application.

3. Nothing herein shall be interpreted to indicate that any of the costs are to be included in rates or otherwise billed to


ratepayers. A decision on this issue will be made at a later date and in a separate docket.

4. Any person aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within ten (10) days from and after the date of this Order.

5. Any party aggrieved with the Commission's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.

  
Chairman

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director

**Schedule GW-3**

**Deferred Environmental Costs**

**Tennessee Environmental Sites  
Summary of Expenditures  
through September 30, 2006**

Johnson City	\$1,420,296.20
Bristol	754,577.80
TN Tanks	189,882.72
	<u><b>\$2,364,756.72</b></u>



## Johnson City Site

	General Ledger Balance at time of system conversion following acquisition of UCG by Atmos, October, 1998	496,292.33
<b>Date</b>	<b>Vendor, Invoice Number</b>	<b>Amount</b>
Feb-99	Bureau of Envir/Inv 0807 (9/98)	264.99
Feb-99	Wm A Miller Appraiser (5/98)	700.00
Feb-99	TDEC (5/98), 98-90513 4-14-98	2,300.90
Feb-99	TDEC (11/98), 98-90513 9-16-98	1,328.51
Feb-99	North American Realty Advisor (9/98), 98000274	14,250.81
Feb-99	North American Realty Advisor (9/98), 98000273	9,500.00
Feb-99	North American Realty Advisor (9/98), 98000275	9,883.38
Feb-99	North American Realty Advisor (9/98), 98000276	9,883.38
Feb-99	North American Realty Advisor (9/98), 98000277	11,617.66
Feb-99	North American Realty Advisor (9/98), 98000276	2,435.75
Feb-99	Baker & McKenzie	901.85
Feb-99	Baker & McKenzie	737.40
Feb-99	Baker & McKenzie	610.07
Feb-99	Baker & McKenzie	583.71
Feb-99	Baker & McKenzie	466.20
Mar-99	Partnership Card Services	133.16
Mar-99	Partnership Card Services	493.00
Apr-99	Partnership Card Services	138.53
Apr-99	Arcadis Geraghty & Miller, 25609	4,571.70
Apr-99	North American Realty Advisory Services, LP, 99000006	10,859.89
May-99	Baker & McKenzie, 206102	120.00
May-99	Partnership Card Services	301.66
May-99	Depart of Environ & Cons (TDEC), 99-90513	1,167.19
May-99	Baker & McKenzie	1,350.58
May-99	Arcadis Geraghty & Miller, 27696	12,074.65
Jul-99	Environmental Data Resources, 373727	140.00
Jul-99	Arcadis Geraghty & Miller, 31963	5,350.92
Sep-99	Arcadis Geraghty & Miller, 35339	3,908.35
Nov-99	Arcadis Geraghty & Miller, 41063	6,855.43
Dec-99	Arcadis Geraghty & Miller, 42895	16,604.68
Feb-00	Arcadis Geraghty & Miller, 45466	45,568.62
Feb-00	State of Tennessee, 9990513	2,301.52
Feb-00	Arcados Geragity & Miller, 47513	7,998.40
Mar-00	S. Schulz Exp Report, Exp-022900	479.18
Mar-00	Arcadis Geraghty & Miller, 52004	3,141.96
04/19/00	Arcadis Geraghty and Miller, 54072	25,235.29
05/08/00	Arcadis Geraghty and Miller, 56836	23,245.65
06/15/00	Stuart Schulz, Exp-061200	234.86
06/15/00	Karol A Sole, Exp-060200	180.56
06/21/00	Arcadis Geraghty and Miller, 56836	3,482.88
06/30/00	Karol A Sole, Exp-050200	29.17
07/03/00	Stuart Schulz, Exp-050400	28.34
07/11/00	Stuart Schulz, Exp-070500	111.33
07/28/00	Arcadis Geraghty and Miller, 61263	3,597.93
08/08/00	Stuart Schulz, Exp-080100	3.49
08/29/00	Karol A Sole, Exp-081100	7.20

## Schedule GW-3

Date	Vendor, Invoice Number	Amount
09/21/00	Baker & McKenzie, 47862-092100	1,598.19
09/30/00	Tennessee State of, 0090513	2,578.58
11/16/00	Baker & McKenzie, 47862-111600	277.62
12/18/00	Baker & McKenzie, 47862-121800	1,449.79
12/22/00	Arcadis Geraghty and Miller, 71015	1,889.65
12/28/00	Karol A Sole, Exp-122000	361.00
01/10/01	Environmental Operations, 12750	3,501.69
01/23/01	Stuart Schulz, Exp-011701	94.98
01/26/01	Executrain, 1005942623	350.00
01/31/01	Environmental Operations, 12791	2,817.48
02/08/01	Arcadis Geraghty and Miller, 80035	1,891.25
02/08/01	Arcadis Geraghty and Miller, 83464	868.00
02/23/01	TN Dept of Environment and (TDEC), CHE-022301	250.00
02/28/01	Environmental Operations, 12916	2,341.86
03/29/01	Safety-Kleen, 15659118	5,437.00
03/30/01	Material Resource Recovery Inc	22,813.00
04/14/01	Environmental Operations, 13058	1,825.73
04/17/01	Arcadis Geraghty and Miller, 85483	15,355.61
04/30/01	Environmental Operations, 13080	906.15
04/30/01	Baker & McKenzie, 21003478	1,880.37
05/03/01	Stuart Schulz	18.54
05/16/01	Arcadis Geraghty and Miller, 88350	3,389.86
05/29/01	Environmental Operations, 13080	1,380.91
05/31/01	Stuart Schulz	290.11
05/31/01	Regenesis Bioremediation, 0103785-IN	6,807.97
06/01/01	Rusmar Incorporated, 12336	7,283.57
06/18/01	Tri-State Analytical, 100-3282	5,042.00
06/24/01	Environmental Operations, 13358	27,850.19
06/26/01	Tri-State Analytical, 100-3346	1,682.00
06/27/01	Tri-State Analytical, 100-3400	652.00
06/27/01	Tri-State Analytical, 100-3384	1,682.00
06/28/01	Air Logics, 106189E-IN	2,125.00
06/29/01	S&ME, 8876	1,328.50
06/29/01	Environmental Operations, 13279	5,515.68
06/29/01	Air Logics, 106191E-IN	2,125.00
06/29/01	Air Logics, 106109E-IN	3,230.81
07/02/01	Stuart Schulz	1,497.88
07/05/01	Air Logics, 106270E-IN	2,928.56
07/06/01	Tri-State Analytical, 100-3484	647.00
07/09/01	Karol A Sole, Exp-070901	643.77
07/09/01	Mountain Electric Service, CHE-070901	30.00
07/12/01	Rusmar Incorporated, 12381	1,312.50
07/12/01	Rusmar Incorporated, 012382	(709.25)
07/13/01	Arcadis Geraghty and Miller, 92276	19,513.40
07/16/01	Air Logics, 106462E-IN	2,250.00
07/16/01	Air Logics, 106429E-IN	3,108.15
07/16/01	Air Logics, 106485E-IN	2,125.00
07/18/01	Four Seasons, 10-433528	43,924.68
07/18/01	Air Logics, 106266E-IN	899.30
07/18/01	Air Logics, 106583E-IN	3,172.05
07/19/01	Air Logics, 106615E-IN	2,125.00
07/19/01	Three Seasons, 200139	50,674.80
07/25/01	RL Jones Trucking, 3084	3,736.65

## Schedule GW-3

Date	Vendor, Invoice Number	Amount
07/26/01	RL Jones Trucking, 3089	2,731.05
07/26/01	RL Jones Trucking, 3094	3,600.39
08/01/01	Stuart Schulz	1,084.25
08/02/01	Mountain Electric Service, CHE-080201	60.00
08/02/01	RL Jones Trucking, 3112	9,947.83
08/04/01	RL Jones Trucking, 3119	2,658.65
08/14/01	Arcadis Geraghty and Miller, 95263	3,602.90
08/14/01	Arcadis Geraghty and Miller, 95264	4,467.41
08/27/01	Environmental Operations, 13459	2,236.03
08/29/01	Stuart Schulz	8.65
08/31/01	Environmental Operations, 13540	2,778.05
09/05/01	Arcadis Geraghty and Miller, 96547	39.85
09/07/01	Arcadis Geraghty and Miller, 96879	1,423.00
09/09/01	Arcadis Geraghty and Miller, 96878	4,057.80
09/26/01	Safety-Kleen, 15725235	2,056.50
09/30/01	Environmental Operations, 13612	3,744.81
10/05/01	Stuart Schulz, EXP-100501	440.66
10/08/01	Rio Grande Fence Co, 12938	1,465.00
10/12/01	E Luke Greene Co, 21283	26,000.00
10/16/01	Safety-Kleen, 15730983	465.00
10/17/01	Environmental Operations, 13621	360.94
10/17/01	Arcadis Geraghty and Miller, 02331	11,795.88
10/17/01	Arcadis Geraghty and Miller, 02330	1,220.95
10/31/01	Baker & McKenzie, 21011896	1,326.00
10/31/01	Johnson City Utility System, CHE-103001	110.00
11/12/01	Arcadis Geraghty and Miller, 04248	2,357.02
11/15/01	Arcadis Geraghty and Miller, 04843	1,727.25
11/16/01	Johnson City Utility System, CHE-111601	87.50
11/26/01	Baker & McKenzie, 21012877	5,513.06
12/05/01	Arcadis Geraghty and Miller, 05842	3,246.50
12/05/01	Arcadis Geraghty and Miller, 05840	2,925.52
12/11/01	TN Dept of Environment and (TDEC), INV-121101	7,877.28
01/07/02	Arcadis Geraghty and Miller, 07851	1,565.44
01/07/02	Arcadis Geraghty and Miller, 07852	516.75
01/19/02	Johnson City Utility System, CHE- 011902	8.75
01/30/02	Baker & McKenzie, 21015986	5,855.69
02/06/02	Arcadis Geraghty and Miller, 10133	4,716.22
02/06/02	Arcadis Geraghty and Miller, 10162	1,662.26
03/01/02	Arcadis Geraghty and Miller, 11902	2,579.14
03/04/02	Arcadis Geraghty and Miller, 11953	11,022.41
04/10/02	Arcadis Geraghty and Miller, 14304	779.30
04/10/02	Arcadis Geraghty and Miller, 14280	11,329.80
04/22/02	State of TN, CHE-042202	1,811.96
04/22/02	Johnson City Utility System, CHE- 042202	135.00
05/09/02	Baker & McKenzie, 21021767	5,553.96
05/09/02	Arcadis Geraghty and Miller, 16816	2,451.79
05/09/02	Arcadis Geraghty and Miller, 16806	1,985.54
06/03/02	State of TN, Inv-060302	570.40
06/07/02	Arcadis Geraghty and Miller, 20562	2,537.20
07/16/02	Arcadis Geraghty and Miller, 23130	979.56
07/31/02	Baker & McKenzie, 21026714	562.50
08/20/02	Baker & McKenzie, 21027937	1,986.12
08/22/02	Arcadis Geraghty and Miller, 26306	3,222.70

## Schedule GW-3

Date	Vendor, Invoice Number	Amount
09/04/02	TN Dept of Environment and (TDEC), INV090402	1,744.80
09/10/02	Baker & McKenzie, 21029558	2,634.72
10/07/02	Baker & McKenzie, 21031449	333.54
10/08/02	Arcadis Geraghty and Miller, 29225	2,130.49
11/05/02	Arcadis Geraghty and Miller, 31254	5,541.35
12/11/02	Arcadis Geraghty and Miller, 34396	55,212.20
01/08/03	Arcadis Geraghty and Miller, 35769	17,870.75
01/30/03	TN Dept of Environment and (TDEC), INV013003	3,319.60
02/07/03	Arcadis Geraghty and Miller, 37518	18,846.30
02/13/03	Baker & McKenzie, 21038784	457.70
03/06/03	Arcadis Geraghty and Miller, 39684	24,645.24
04/04/03	Arcadis Geraghty and Miller, 42026	3,027.83
04/30/03	TN Dept of Environment and (TDEC), INV043003	1,430.70
07/09/03	Arcadis Geraghty and Miller, 49524	7,325.31
07/30/03	State of TN, INV073003	1,320.17
08/01/03	Arcadis Geraghty and Miller, 51746	12,000.49
08/29/03	Arcadis Geraghty and Miller, 53884	15,706.56
10/03/03	Arcadis Geraghty and Miller, 56217	16,335.11
11/13/03	Arcadis Geraghty and Miller, 60092	1,746.67
11/26/03	TN Dept of Environment and (TDEC), INV112603	2,656.94
01/29/04	Stuart Schulz, EXP012904	455.75
01/30/04	Arcadis Geraghty and Miller, 64886	1,466.40
02/13/04	Stuart Schulz, EXP021304	387.00
02/29/04	Arcadis Geraghty and Miller, 68035	938.36
03/19/04	TN Dept of Environment and (TDEC), INV031904	4,463.21
04/02/04	Arcadis Geraghty and Miller, 71167	3,089.03
05/05/04	Arcadis Geraghty and Miller, 75540	1,267.75
05/30/04	Arcadis Geraghty and Miller, 77441	305.21
05/25/04	Baker and McKenzie, 21062957	272.10
07/26/04	Baker and McKenzie, 21066866	193.50
10/04/04	Stuart Schulz, IEXP-20668	508.00
10/28/04	Arcadis Geraghty and Miller, 92518	202.60
11/22/04	Baker and McKenzie, 21078691	80.00
12/10/04	Baker and McKenzie, 21078691-2	80.00
02/03/05	Arcadis Geraghty and Miller, 100983	1,163.17
03/03/05	Arcadis Geraghty and Miller, 103794	930.87
03/18/05	Johnson City Press	394.56
03/18/05	TN Dept of Environment and (TDEC), INV031805	645.46
04/05/05	Arcadis Geraghty and Miller, 106552	758.47
05/05/05	Arcadis Geraghty and Miller, 0109356	676.07
09/01/05	TN Dept of Environment and (TDEC), INV090105	502.47
01/30/06	Washington County Register of Deeds, CHE013006	26.00
02/24/06	Baker and McKenzie, 21106855-02	255.00
03/03/06	TN Dept of Environment and (TDEC), INV030306	1,315.09
06/09/06	TN Dept of Environment and (TDEC), INV060906	465.38
07/07/06	Arcadis Geraghty and Miller, 0148882	3,393.70
07/20/06	Real Val, 20-Juil-2006	3,800.00
08/03/06	Arcadis Geraghty and Miller, 0151845	1,544.39
08/31/06	Arcadis Geraghty and Miller, 0154482	4,859.70
09/20/06	TN Dept of Environment and (TDEC), INV092006	77.63
	<b>Total</b>	<b>1,420,296.20</b>

## Bristol Site

	<b>General Ledger Balance at time of system conversion following acquisition of UCG by Atmos, October, 1998</b>	<b>133,361.50</b>
<b>Date</b>	<b>Vendor, Invoice Number</b>	<b>Amount</b>
8/11/99	Baker and McKenzie, INV-052899	90.00
9/23/99	Baker and McKenzie, INV-083199	180.00
10/20/99	Karol A Sole, Exp-101499	(484.17)
11/3/99	Karol A Sole, Exp-102899	545.48
11/15/99	Stuart Schulz, Exp-111299	176.90
12/15/99	Stuart Schulz, Exp-120899	851.47
06/15/00	Karol A Sole, Exp-060200	167.44
06/30/00	Karol A Sole, Exp-050200	29.17
06/30/00	Stuart Schulz, Exp-050400	28.33
07/11/00	Stuart Schulz, Exp-070500	111.32
08/03/00	Baker & McKenzie, 47862/051600	2,487.45
08/04/00	Baker & McKenzie, 47862-071400	476.81
08/29/00	Karol A Sole, Exp-081100	7.20
12/28/00	Karol A Sole, Exp-122000	249.26
02/28/02	Environmental Data Resources, 739758	150.00
04/18/02	Baker & McKenzie, 21020390	1,578.97
05/07/02	State of Tennessee, CHE050702	40.00
05/07/02	Delaware Secretary of State, CHE-050702	30.00
05/09/02	Baker & McKenzie, 21021767	1,077.54
05/15/02	GEI Consultants, Inc, 806731	6,699.05
05/24/02	Historical Information Gatherers Inc, MAC1259	75.00
06/12/02	GEI Consultants, Inc, 806857	22,236.01
06/21/02	Stuart Schulz, EXP-062102	128.28
07/19/02	GEI Consultants, Inc, 807060	21,674.00
07/31/02	Baker & McKenzie, 21026714	1,939.69
08/15/02	Stuart Schulz, EXP081502	333.97
08/16/02	Stuart Schulz, EXP081602	30.00
10/07/02	Baker & McKenzie, 21031449	2,671.18
10/08/02	Dakota Technologies, 829	750.00
11/12/02	Baker & McKenzie, 21042554	4,631.25
12/09/02	Geomatrix, 0021205	5,200.00
12/10/02	Baker & McKenzie, 21035470	1,225.00
01/16/03	Baker & McKenzie, 21037360	549.01
02/07/03	Arcadis Geraghty and Miller, 37536	1,400.00
02/13/03	Baker & McKenzie, 21038784	1,192.43
03/04/03	Baker & McKenzie, 21040334	499.48
07/22/03	Baker & McKenzie, 21048554	686.05
01/29/04	Stuart Schulz, EXP012904	455.75
01/30/04	Arcadis Geraghty and Miller, 64906	1,326.00
02/13/04	Stuart Schulz, EXP021304	387.39
02/29/04	Arcadis Geraghty and Miller, 68034	2,158.27
03/28/04	Bristol Herald Courier, 52957-032804	458.88
04/02/04	Arcadis Geraghty and Miller, 71168	491.70
05/04/04	Arcadis Geraghty and Miller, 75562	623.10
05/30/04	Arcadis Geraghty and Miller, 77443	6,524.91
07/01/04	Arcadis Geraghty and Miller, 80447	6,182.11

## Schedule GW-3

Date	Vendor, Invoice Number	Amount
07/29/04	Arcadis Geraghty and Miller, 83553	1,401.03
07/29/04	Arcadis Geraghty and Miller, 83555	1,361.09
08/26/04	Arcadis Geraghty and Miller, 86644	7,267.90
09/30/04	Arcadis Geraghty and Miller, 89619	11,923.11
10/04/04	Stuart Schulz, IEXP-20668	666.03
10/13/04	Minnich and Scotto, 41001	61,730.00
10/28/04	Arcadis Geraghty and Miller, 92532	1,532.45
10/28/04	Arcadis Geraghty and Miller, 92531	3,627.00
11/04/04	ENV America, 0001275	6,835.62
11/17/04	Stuart Schulz, IEXP-22319	574.73
12/02/04	Piney Creek LP, 12022004	51,665.80
12/03/04	Arcadis Geraghty and Miller, 96504	1,353.90
12/03/04	Arcadis Geraghty and Miller, 96506	19,990.04
12/09/04	ENV America, 0001320	182,049.40
01/06/05	Arcadis Geraghty and Miller, 98246	40,859.55
01/18/05	ENV America, ATM04T001.MW	6,725.07
01/25/05	Minnich and Scotto, 050104	69,820.45
02/03/05	Arcadis Geraghty and Miller, 100998	5,066.66
03/03/05	Arcadis Geraghty and Miller, 103808	9,686.71
03/30/05	Minnich and Scotto, 050302	4,687.50
04/05/05	Arcadis Geraghty and Miller, 106567	3,401.35
05/05/05	Arcadis Geraghty and Miller, 0109372	5,575.57
06/03/05	Arcadis Geraghty and Miller, 0112024	4,439.75
07/07/05	Arcadis Geraghty and Miller, 0114595	2,795.44
08/25/05	Baker and McKenzie, 21095304-02	2,767.41
12/20/05	TN Dept of Environment and (TDEC), INV122005	5,242.46
03/03/06	TN Dept of Environment and (TDEC), INV030306	9,848.60
	Total	754,577.80

## TN Tank Removal

	General Ledger Balance at time of system conversion following acquisition of UCG by Atmos, October, 1998	168,096.94
<b>Date</b>	<b>Vendor, Invoice Number</b>	<b>Amount</b>
Feb-99	TVG Environmental, 5086	1,787.59
Mar-99	Four Seasons, 573827	6,770.35
Apr-99	TVG Environmental, 5956	1,541.90
May-99	Baker & McKenzie	334.28
Jul-99	TVG Environmental, 6288	1,548.56
Sep-99	TVG Environmental, 6488	1,179.98
Jan-00	TVG Environmental, 6680	1,356.26
Mar-00	TVG Environmental, 6830	2,148.88
10/10/00	TVG, 7137	3,842.17
02/28/01	TVG, 7307	1,275.81
	<b>Total</b>	<b>189,882.72</b>

**Schedule GW-4**

**Environmental Remediation  
Cost Estimate**



Table 6-2. Cost Estimate for Alternative 2 - Land-Use Restrictions, Capping,  
and Monitored Natural Attenuation  
Atmos Energy Corporation Johnson City, Tennessee

Items	No. of Units	Unit Price	Cost
Land-Use Restrictions			\$10,000
Sampling and Analysis/Operation & Maintenance (O&M) Plan			\$20,000
Construction Costs <sup>a</sup>			
Construct Cap with Geosynthetic Liner <sup>b</sup>			\$343,900
Modifications to existing wells			\$20,000
Decontamination Facilities <sup>b</sup>			\$5,200
Residual Waste Management <sup>b</sup>			\$6,500
	Subtotal for Construction Costs		\$405,600
On-Site Construction Management (15%)			\$60,800
Engineering Design (20%)			\$81,100
	<b>Total Installation Costs</b>		<b>\$547,500</b>
Long-Term Annual Monitoring Costs			
Quality Assurance/Quality Control (QA/QC) Samples			
Volatile Organics	15 samples	\$156 /sample	\$2,300
Semivolatile Organics	15 samples	\$245 /sample	\$3,700
Arsenic	15 samples	\$20 /sample	\$300
Manganese	15 samples	\$20 /sample	\$300
Dissolved Gases	15 samples	\$150 /sample	\$2,300
Nitrate/Nitrite	15 samples	\$25 /sample	\$400
Sulfate	15 samples	\$25 /sample	\$400
Sampling/O&M			
Technicians (2)	100 hours	\$85 /hour	\$8,500
Per Diem (2)	10 days	\$125 /day	\$1,300
Shipping			\$500
Equipment/Mileage			\$2,000
Data Validation			
Staff Scientist	8 hours	\$90 /hour	\$700
Cap O&M			\$8,200
Reporting			\$25,000
	<b>Subtotal Long-Term Annual O&amp;M Costs</b>		<b>\$55,900</b>
TDEC-DSF Oversight (2%)			\$1,100
	<b>O&amp;M Present Worth <sup>c</sup></b>		<b>\$784,600</b>
Future Closure Costs <sup>d</sup>			
A) Groundwater Classification			\$25,000
B) Closure Plan			\$5,000
C) Well Abandonment			\$20,000
	<b>Total Present Worth of Future Closure Costs:</b>		<b>\$8,700</b>
	<b>Project Total Present Worth</b>		<b>\$1,340,800</b>
	<b>Contingency (15%) <sup>e</sup></b>		<b>\$201,100</b>
	<b>Total Alternative Cost <sup>f</sup></b>		<b>\$1,541,900</b>

Note: All costs rounded to the nearest \$100

<sup>a</sup> - Remedial Action Cost Engineering and Requirements (RACER)

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<sup>b</sup> - RACER software utilized to estimate costs.

<sup>c</sup> - Equals Total Short-Term Annual Operation and Maintenance Costs x (P/A @ 6% for 1 year)  
+ Total Long-Term Annual Operation and Maintenance Costs x (P/A @ 6% for 30 years).

<sup>d</sup> - Future closure cost in Year 30.

<sup>e</sup> - Single contingency to accommodate for unanticipated bid and scope changes.

<sup>f</sup> - Total alternative cost (accuracy) (+50 percent to -30 percent).

O&M - operation and maintenance

P/A - equal payment series present worth factor

QA/QC - quality assurance/quality control

Table 6-2. Cost Estimate for Alternative 2 - Land-Use Restrictions, Capping,  
and Monitored Natural Attenuation  
Atmos Energy Corporation Johnson City, Tennessee

Items	No. of Units	Unit Price	Cost
TDEC-DSF - Tennessee Department of Environment and Conservation - Division of Superfund			