

Contact: Nicholas J. Lyman

Public Affairs and Corporate Communications

Phone: 518.782.2155 Fax: 518.782.2167

E-mail: lymann@NiagaraMohawk.com



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EXCAVATION SCHEDULED TO BEGIN AT SCRAPYARD SITE

COBLESKILL, Dec. 21 – Beginning the first week of January, an environmental contractor working for Niagara Mohawk Power Corp. will excavate and remove contaminated soil from the M. Wallace and Son, Inc. Scrapyard site at the corner of Elm Street (Route 10) and West Street.

For several weeks two to four trucks per hour will enter and leave the site during the day, hauling approximately 7,000 cubic yards of soil to a permitted landfill and bringing in clean fill to restore the area. The truck route is expected to be along Route 10 to the New York State Thruway. Trucking schedules will be designed to accommodate school bus traffic, and traffic control measures will be implemented to maintain safe vehicular and pedestrian traffic.

Niagara Mohawk is excavating site soils containing polychlorinated biphenyls (PCBs) under a Record of Decision issued in March 1999 by the New York State Department of Environmental Conservation. During the 1960s and 1970s the site operator purchased transformers from Niagara Mohawk and possibly other sources and transported them to the scrapyard, where he dismantled them to recover copper and other components.

James F. Morgan, project manager for Niagara Mohawk, said soil excavation and off-site disposal activities are expected to be completed in January. Excavated areas will be restored with clean fill.

In addition to soil remediation activities, he said a system will be installed to remove oils observed in two groundwater monitoring wells just northwest of a quarry pond at the site, and Niagara Mohawk will continue operation of an existing water treatment system to remove contaminants from the quarry pond surface water.

Groundwater monitoring activities will also continue, Morgan said.

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The environmental engineering firm of Blasland, Bouck & Lee, Inc., Syracuse, is managing the project for Niagara Mohawk.

Niagara Mohawk Power Corp. is a wholly owned subsidiary of Niagara Mohawk Holdings Inc. (NYSE:NMK), an investor-owned energy services company that provides electricity to more than 1.5 million customers across 24,000 square miles of Upstate New York. The company also delivers natural gas to more than 540,000 customers over 4,500 square miles of eastern, central and northern New York.

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