



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy
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PSE.com

October 27, 2015

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504

Dear Mr. King:

Subject: Environmental Report with all attachments for the quarter ending September 30, 2015

- Docket UG-920781 (WNG)**
- Docket UE-911476 (PSP&L)**
- Docket UE-070724 (PSE)**
- Docket UE-072060 (PSE)**
- Docket UE-081016 (PSE)**

Pursuant to the WUTC Order entered on 10/8/08, PSE now operates both its electric and gas deferred environmental accounting programs with a blanket authorization, provided the requisite criteria is met. This Order was issued under the following Docket Numbers: UE-070724, UE-072060, and UE- 081016.

PSE deferred accounting treatment matches the expenses of the remediation of these sites with the recovery of expenses from third parties. The costs for these sites currently exceed third party recoveries.

There are two versions of the attached spreadsheets representing a list of major sites PSE is currently investigating, monitoring and remediating. One version that PSE requests to be treated as Confidential and Privileged shows actual costs at the close of the quarter, costs incurred & amortized costs as well as an estimate of future project. Future cost estimates are confidential pursuant to WAC 480-07-160.

Also 

Sincerely,



John Rork
Manager – Environmental Services

Enclosures

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STATE OF WASH.
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cc: Daniel Doyle
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PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Electric
September 30, 2015

September 2000 - forward SAP Order	September 2000 - forward Liability Acct. SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity (b)	SAP Account Balance 9/30/2015 (c) = (a) + (b)	Actual Costs Through 9/30/2015 (d)	Future Cost Estimates (e)	Total Cost Estimates (f) = (d) + (e)	Recoveries Through 9/30/2015 (g)
	22840021	18232221	18232251	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris (Future Cost Est.)					
	18230009	18232251		Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris					
				Subtotal White River/Buckley Phase II Burn Pile and Wood Debris Site					
	22840021	18232261	18232271	Env Rem - Lower Duwamish Waterway (Future Cost Est.)					
	18230021	18232271		Env Rem - Lower Duwamish Waterway					
				Subtotal Lower Duwamish Waterway Site					
	22840051	18230311		Env Rem - Whidbey Service Center UST (Future Cost Est.)					
	22840111	18233061		Env Rem - Poulsbo Service Center UST (Future Cost Est.)					
				Env Rem - Poulsbo Service Center UST					
				Subtotal Poulsbo Service Center UST					
	22840061	18230321	18233091	Env Rem - Tenino Service Center UST (Future Cost Est.)					
	18230041	18233091		Env Rem - Tenino Service Center UST					
				Subtotal Tenino Service Center UST					
				Project completed - Not included on Chtry Memo					
	22840111	18608011	18608001	Env Rem - Lower Baker Power Plant (Future Cost Est.)					
	18601120	18608001		Env Rem - Lower Baker Power Plant					
				Subtotal Lower Baker Power Plant Site					
	22840111	18608031	18608021	Env Rem - Snoqualmie Hydro Generation (Power Plant) Future Cost Est.					
	18601121	18608021		Env Rem - Snoqualmie Hydro Generation (Power Plant)					
				Subtotal Snoqualmie Hydro Generation Site					
	22840181	18608051	18608041	Env Rem - Bellingham South State Street MGP (former Blvd Park) (Future Cost Est.)					
	18601122	18608041		Env Rem - Bellingham South State Street MGP (former Blvd Park)					
				Subtotal Bellingham South State Street MGP (former Blvd Park) Site					
	22840191	18608111	18608081	Env Rem - Electron Flume (Future Cost Est.)					
	18601125	18608081		Env Rem - Electron Flume					
				Subtotal Electron Flume Site					
	22840231	18608151	18608141	Env Rem - Talbot Hill Substation and Switchyard (Future Cost Est.)					
	18601128	18608141		Env Rem - Talbot Hill Substation and Switchyard					
				Subtotal Talbot Hill Substation & Switchyard Site					
	22840401	18608181	18608191	Env Rem - Sammamish Substation (Future Cost Est.)					
	18601130	18608191		Env Rem - Sammamish Substation					
				Subtotal Sammamish Substation Site					
	22840301	18608221	18608231	Env Rem - City of Olympia v PSE Plum Street Station (Future Cost Est.)					
	18601161	18608231		Env Rem - City of Olympia v PSE Plum Street Station					
				Subtotal City of Olympia v PSE Plum Street Station					
	22840311	18608241	18608251	Env Rem - Whitehorn UST Remediation (Future Cost Est.)					
	18601171	18608251		Env Rem - Whitehorn UST Remediation					
				Subtotal Whitehorn UST					
				Project completed - Not included on Chtry Memo					
	18601129	18608171		Env Rem - Everett Asarco					
				Subtotal Everett Asarco Site					
	18601151	18608211		Env Rem - Pt Robinson Cable Station					
				Subtotal Pt. Robinson Cable Station					
				Subtotal 186					
				Total Asset					

PUGET SOUND ENERGY, INC.
 Deferred Environmental Cost Summary Electric
 September 30, 2015

September 2000 - forward SAP Order	Liability Acco. SAP Account	Site Description	SAP Account Balance 9/30/2015 (a)	Quarterly Activity (b)	SAP Account Balance 9/30/2015 (c) = (a) + (b)	Actual Costs Through 9/30/2015 (d)	Future Cost Estimates (e)	Total Cost Estimates (f) = (d) + (e)	Recoveries Through 9/30/2015 (g)
22840081	22840081	Env Rem - Puyallup Garage Site	(550,000.00)		(550,000.00)	14,834.14			
22840131	22840131	Env Rem - Crystal Mountain Generator Station Site	(500,000.00)	-	(500,000.00)	14,583,472.88			
22840031	22840031	Env Rem - Olympia Service Center UST	(258,000.00)	-	(258,000.00)	20,528.95			
22841001	22841001	Accum Misc Oper Provi - Unallocated Def Elec Env Rem Recoveries	(4,610,484.08)	-	(4,610,484.08)	-			
		Total Liabilities	(5,918,484.08)	-	(5,918,484.08)	14,618,835.77			
		Grand Total	3,452,436.30	(171,277.26)	3,281,159.04	23,818,478.89			

Footnotes:
 (A) The total estimated costs for the Crystal Mountain Site of \$15,083,472.88 include PSE Insurance Recoveries of \$11,838,563, Future Cost Estimate of \$2,644,909.68 (Actual Costs less Recoveries) through report date.
 Represents allocated proceeds from the insurance recoveries.

PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Gas
September 30, 2015

September 1998 - forward SAP Order Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015 (a)	Quarterly Activity (b)	SAP Account Balance 9/30/2015 (c) = (a) + (b)	Actual Costs Through 9/30/2015 (d)	Future Cost Estimates (e)	Total Cost Estimates (f) = (d) + (e)	Recoveries Through 9/30/2015 (g)
		FORMER MANUFACTURED GAS SITES:							
		<small>Tacoma Gas Company (Upload Source Control) (Future Cost Est.)</small>							
22840012	18609572	Tacoma Gas Company (Upload Source Control) (Remediation Costs)	776,531.80	-	776,531.80	776,531.80			
18606102	18609612	Subtotal Tacoma Gas Company	776,531.80	-	776,531.80	776,531.80			
22840022	18609592	Thea Foss Waterway (Future Cost Est.)							
18607102	18608712	Thea Foss Waterway (Remediation Costs)	5,358,520.29	(320.14)	5,358,200.15	5,358,200.15			
18607103	18608772	Thea Foss Waterway (WADOT Settlement)	(3,488,999.10)	D	(3,488,999.10)	(3,488,999.10)			
18607203	18608742	Thea Foss Recovery	-	-	-	-			
		(B) Thea Foss Waterway (Legal Costs)							
		Subtotal Thea Foss Waterway	1,869,521.19	(320.14)	1,869,201.05	1,869,201.05			
22840032	18609592	Everett Washington (Future Cost Est.)							
18602102	18608212	Everett Washington (Remediation Costs)	1,461,848.90	247.00	1,462,095.90	1,462,095.90			
		Everett Washington (WADOT Settlement)	(801,550.75)	D	(801,550.75)	(801,550.75)			
18603102	18608782	Subtotal Everett Washington	660,298.15	247.00	660,545.15	660,545.15			
22840042	18609602	Chehalis Washington (Future Cost Est.)							
18603102	18608312	Chehalis Washington (Remediation Costs)	3,949,045.03	7,529.65	3,956,574.68	3,956,574.68			
		Subtotal Chehalis Washington	3,949,045.03	7,529.65	3,956,574.68	3,956,574.68			
22840332	18609422	Gas Works Park (Future Cost Est.)							
18606302	18609432	Post - Nov 2012 Gas Works Park (Remediation Costs)	5,359,962.22	274,874.74	5,634,836.96	5,634,836.96			
18604102	18608412	Pre-Nov 2012 Gas Works Park (Remediation Costs)	2,651,381.74	-	2,651,381.74	2,651,381.74			
18614102	18609312	Pre-Nov 2012 Lake Union Sediments (Remediation Costs)	12,405,154.71	-	12,405,154.71	12,405,154.71			
		Subtotal Gas Works Park & Lake Union	20,416,498.67	274,874.74	20,691,373.41	20,691,373.41			
22840062	18609622	Quendall Terminal (Future Cost Est.)							
18612102	18609512	Quendall Terminal (Remediation Costs)	27,871.55	2,222.00	30,093.55	30,093.55			
		Subtotal Quendall Terminal	27,871.55	2,222.00	30,093.55	30,093.55			
22840082	18609642	Tacoma Tar Pits (Future Cost Est.)							
18601102	18608112	Post-June, 1999 Tacoma Tar Pits (Remediation Costs)	3,940,539.08	42,062.89	3,982,601.97	3,982,601.97			
18601102	18608112	Pre-June 1999 Tacoma Tar Pits (Remediation Costs)	34,881,722.38	-	34,881,722.38	34,881,722.38			
		Subtotal Tacoma Tide Flats	38,822,261.46	42,062.89	38,864,324.35	38,864,324.35			
22840092	18609652	Bay Station (Future Cost Est.)							
18603202	18609532	Bay Station (Remediation Costs)	231,369.84	-	231,369.84	231,369.84			
		Subtotal Bay Station	231,369.84	-	231,369.84	231,369.84			
22840102	18609662	Olympia Columbia Street MGP (Future Cost Est.)							
18614402	18609542	Olympia Columbia Street MGP (Remediation Costs)	1,254,241.07	(1,987.94)	1,252,253.13	1,252,253.13			
		Olympia Columbia Street MGP (WADOT Settlement)	(160,310.15)	D	(160,310.15)	(160,310.15)			
		Subtotal Olympia Columbia Street MGP	1,093,930.92	(1,987.94)	1,091,942.98	1,091,942.98			
22840112	18609672	Verbeek Autowrecking (Future Cost Est.)							
18608502	18608752	Verbeek Autowrecking (Remediation Costs)	2,050,122.67	-	2,050,122.67	2,050,122.67			
18608304	18608752	Verbeek Autowrecking (Reimbursement of Remed Cost from 3rd Party)	(1,114,592.67)	-	(1,114,592.67)	(1,114,592.67)			

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September 1998 - forward SAP Order Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
		Subtotal Verbeek Autowrecking	935,530.00	-	935,530.00	935,530.00			
		Downtowner Property (Future Cost Est.)							
	22840162	Downtowner Property (Remediation Costs)	166,849.86	337,478.54	504,328.40	504,328.40			
18607104	18608002	Subtotal Downtowner Property	166,849.86	337,478.54	504,328.40	504,328.40			
	18608062	Unallocated Insurance and Third Party Recoveries							

PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Gas
September 30, 2015

September 1988 - forward SAP Order Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
		SITES							
18230212	22840122	18609682 18237112	279,321.20	-	279,321.20	279,321.20			
		SWARR STATION (Future Cost Est.)							
		SWARR STATION	279,321.20	-	279,321.20	279,321.20			
18230210	22840132	18609692 18236912	-	-	-	-			
		NORTH OPERATING BASE (Future Cost Est.)							
		NORTH OPERATING BASE	-	-	-	-			
		18237122 (A) SOUTH SEATTLE GATE STATION	169,602.13	-	169,602.13	169,602.13			
		18237132 (A) NORTH TACOMA GATE STATION	133,750.43	-	133,750.43	133,750.43			
		18237142 (A) NORTH SEATTLE GATE STATION	53,995.63	-	53,995.63	53,995.63			
		18237152 (A) COVINGTON GATE STATION	67,987.45	-	67,987.45	67,987.45			
			\$ 704,656.84	\$ -	\$ 704,656.84	\$ 704,656.84			
		Total 186.0	\$ 68,949,708.47	\$ 662,106.74	\$ 69,611,815.21	\$ 69,611,815.21			
		TOTAL - GAS STORAGE TANKS AND MANUFACTURED GAS SITES (182.3 and 186.0)	\$ 69,654,365.31	\$ 662,106.74	\$ 70,316,472.06	\$ 70,316,472.06			

REDACTED

Footnotes:
(A) Represents sites where no additional remedial actions are planned. Currently anticipating entering into insurance recoveries discussion in 2015.
(B) Order 18607203 was re-opened in the 3rd Q1 of 2010 for posting legal cost related to THEA FOSS WATERWAY.
(C) (Content not used)-Includes the reimbursement from Seattle Public Utilities for site-wide costs that PSE incurred to support the development of the Remedial Investigation and Feasibility Studies (RIFS) for the Gas Works site for the period of 12/15/2012 - 6/14/13 (\$185,450.59).
(D) Represents the legal dispute settlement between WADOT, Pacific and PSE on 10/22/2013.