

**Exh. ECO-16  
Dockets UE-170033/UG-170034  
Witness: Elizabeth O'Connell**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-170033 and  
UG-170034 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**Elizabeth C. O'Connell**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

***Washington Natural Gas and PSE's Environmental Projects Quarterly reports excluding  
Tacoma Tide Flats.***

**June 30, 2017**



Timothy J. Hogan  
Senior Vice President  
Supply, Administration and  
Corporate Secretary

August 10, 1995

RECEIVED  
AUG 17 10:23  
STATE OF WASHINGTON

Mr. Steve McLellan, Secretary  
Washington Utilities and  
Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250

Re: Docket UG-920781  
Washington Natural Gas Company's Accounting Order for  
Environmental Remediation Program/Quarterly Report  
April 1, 1995 through June 30, 1995  
Your Reference No. 6-1165

Dear Mr. McLellan:

Pursuant to the above-referenced Accounting Order, Washington Natural Gas Company ("Company") hereby submits its Quarterly Report for the period April 1, 1995 through June 30, 1995. The following sites are covered by the Quarterly Report: CERCLA Site - Tacoma, Washington; "A" Street Site - Tacoma, Washington; Everett Site - Everett, Washington; Chehalis Site - Chehalis, Washington; Gas Works Park - Seattle, Washington; and the Tulalip Landfill. Lastly, a discussion of developments in the insurance litigation is included.

CERCLA SITE -- TACOMA, WASHINGTON

Enclosed are copies of the monthly reports submitted to the Environmental Protection Agency concerning the activities of the CERCLA Site for the months of April, May and June. Also enclosed is a detailed breakdown of payments to third parties for CERCLA Site remediation expenses exclusive of attorney's fees and costs related to Company personnel, current as of June 30, 1995.

The remediation activities are complete. A closure report is in the process of being prepared for submittal to the U.S. Environmental Protection Agency.



Steven R. Secrist  
Attorney

STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION  
COMMISSION  
RECEIVED  
95 DEC -5 A8:27

November 29, 1995

Mr. Steve McLellan, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr SW  
P.O. Box 47250  
Olympia, WA 98504-7250

Re: Docket No. UG-920781 Washington Natural Gas Company's Accounting Order for Environmental Remediation Program/Quarterly Report July 1, 1995 through September 30, 1995

Your reference No. 6-1165

Dear Mr. McLellan:

Please note that I have assumed responsibility for Washington Natural Gas Company's Quarterly Report or environmental matters from Mr. Timothy Hogan. Any future correspondence or inquiries regarding the report should be directed to my attention at the address listed below.

In compliance with the above-referenced accounting order, Washington Natural Gas Company (WNG) submits the following Quarterly Report for the period July 1, 1995 through September 30, 1995. Each site is specified together with a short summary and the dollar amount spent during the quarter in question. I am also providing an explanation of settlement developments in the insurance litigation.

CERCLA SITE - TACOMA, WASHINGTON

Attached, please find a Certificate of Completion from the United States Environmental Protection Agency dated September 28, 1995. This confirms full performance of the remedial action in accordance with the Consent Decree between EPA and WNG dated October 1991.

TACOMA, WASHINGTON/22ND AND "A" STREET

Black & Veatch has prepared a work plan for the next phase of Source Control and the City of Tacoma has prepared an addendum to the Potentially Liable Party Agreement to perform this task. It is currently being circulated for final review and signatures.

Total spent this quarter \$25,500.00.  
Total spent to date \$25,500.00





Mr. Steve McLellan, Secretary  
Page 2  
November 29, 1995

WSDOT V. WNG - Federal

The Ninth Circuit has issued a new decision in response to WSDOT's Petition for Rehearing En Banc which nevertheless substantially affirms the trial court's decision in favor of WNG.

Total spent -0-.  
Total spent to date -0-.

WSDOT V. WNG - State

This action remains stayed by Court Order pending the decision of WSDOT whether or not it will appeal the Ninth Circuit Decision to the U.S. Supreme Court.

Total spent this quarter -0-.  
Total spent to date -0-.

THEA FOSS WATERWAY

Hart Crowser has started the Round II sediment sampling collection. Preliminary analytical data is expected later this fall.

Total spent this quarter -0-.  
Total spent to date \$25,000.

EVERETT, WASHINGTON

WNG has performed an interim remedial action consisting of the removal of tar and water from three underground storage vessels. The vessels have since been cleaned and filled with cement slurry. In addition, the first draft of the Remedial Investigation report has been prepared and is being circulated for review and comments. The final report and the Interim Remedial Action Report should be completed later this fall.

Total spent this quarter \$163,099.86  
Total spent to date \$314,293.65.

CHEHALIS, WASHINGTON

Monitoring wells have been installed to assess any impact site contamination might have had on ground water. Results of the analysis of the ground water samples are expected later this fall and they will determine in part what, if any, further remedial activity is necessitated at the site.



Mr. Steve McLellan, Secretary  
Page 3  
November 29, 1995

Total spent this quarter \$410,643.30.  
Total spent to date \$1,625,104.34.

GAS WORKS PARK

City of Seattle personnel and WNG have continued to discuss the possibility of a settlement agreement for this site as a means of avoiding expensive and protracted litigation. A copy of WNG's most recent settlement offer is attached as Exhibit B.

Total spent this quarter \$-0-.  
Total spent to date \$-0-.

TULALIP LANDFILL

EPA personnel indicated to WNG that they have received revised volumetric data from Seattle Disposal Company which they contend may impact any de minimis settlement offer given to WNG. There has been no data to substantiate this claim and no time estimate as to when it will be forwarded to WNG.

Total spent this quarter \$-0-.  
Total spent to date \$-0-.

INSURANCE LITIGATION UPDATE

WNG and the trial defendant insurance carriers have executed a Settlement Agreement dated August 11, 1995. The terms of the Settlement Agreement will be disclosed separately to the Washington Utilities & Transportation Commission. This settlement brings WNG's Insurance litigation for the Tacoma CERCLA site to a conclusion.

With regards,

  
Steven R. Secrist  
Staff Attorney

SRS:jcv  
Encs.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10  
1200 Sixth Avenue  
Seattle, Washington 98101

Reply To  
Attn Of: HW-113

September 28, 1995

Mr. Timothy J. Hogan, Executive  
Vice President & Chief Operating Officer  
Washington Natural Gas  
815 Mercer Street, PO Box 1869  
Seattle, WA 98111

Re: Tacoma Tar Pits - Certificate of Completion

Dear Mr. Hogan:

The purpose of this letter is to advise you that the U.S. Environmental Protection Agency (EPA) has concluded that the Remedial Action has been fully performed in accordance with Section XV, 62.b of the Consent Decree between EPA and the Washington Natural Gas Co., October, 1991.

I would like to take this opportunity to thank you and all of the parties that contributed in this successful effort to complete the cleanup of the Tar Pits site.

We consider this to be a major success for the environment and we greatly appreciate your long-standing commitment to bring this site to completion.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Clarke".

Chuck Clarke  
Regional Administrator

Enclosure

cc: Matt Dalton  
Kaaren Daugherty  
Kalin Free, DOJ  
D. Holsten  
R. Mednick  
B. Bergquist, WDOE  
L. Marshall





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10  
1200 Sixth Avenue  
Seattle, Washington 98101

Reply To  
Attn Of: HW-113

MEMORANDUM

SUBJECT: Remedial Action, Certification of Completion  
Tacoma Tar Pits, Tacoma, WA

FROM: Lee Marshall, Project Manager  
SFRB, SMS II

A handwritten signature in cursive script, appearing to read "Lee Marshall".

TO: Michael Gearheard

THRU: William J. Glasser

Handwritten initials, possibly "WJG", written in cursive.

The purpose of this memorandum is to document the acceptance by the U.S. Environmental Protection Agency (EPA) of the "Sept. 1995 Remedial Action Report" submitted by Matt Dalton on Behalf of the Washington Natural Gas Company. This report details the site history, site description, describes the remedial action, provides construction QA/QC and most importantly certified the completion of the remedial construction activities required by the Consent Decree lodged October 4, 1991 which implemented the Record of Decision signed December 30, 1987.

The remedial construction actions consisted of excavation of most of the site to a minimum depth of 3 feet to capture and stabilize lead, benzene, pah's and PCB's. In some locations excavation was much deeper to capture and stabilize tarry material identified as extremely hazardous waste (EHW). This action included excavation of the tar ponds (north and south), the Tar Pit, the Joseph Simon & Sons operating property, and peripheral area hot spots.

The excavated material was segregated and stabilized using specific mixes for each category of waste type. The stabilized products were placed in the "Waste pile" in an area that included the remediated north and south ponds. As required by the ROD other construction activities included placement of a site drainage system. Two separate systems were constructed, one for the waste pile area and another for the Simon & Son property. The last major component of the remedy was placement of a low permeability cover over the site. A combination of cover materials were used throughout the site. Each cover system was designed to meet the EPA permeability requirement and to accommodate the appropriate future land use requirements. Therefore the covers on the site include a geosynthetic system on



the waste pile and low permeability asphalt and a reinforced cement mix on the operating area. The details, including the "as built" drawing are contained in the RAR.

Quarterly water quality monitoring will continue at the site to determine the need for groundwater remediation.

The information in the RAR states that the construction was completed per the ROD and the Consent Decree. Also the report indicates full performance of the RA and attainment of the performance standards.

EPA with its contractor CH2MHill provided oversight along with assistance from the Washington Department of Ecology. All parties have verified the completion of construction during the inspections on June 14, 1995 and July 26, 1995.

In accordance with EPA guidance, "procedures of completion and deletion of National Priorities List sites, EPA/5411G-89/002, dated 1989 and updated February 19, 1992,," your approval of the attached Remedial Action is requested.

APPROVAL:

DISAPPROVAL:

  
Michael F. Gearheard, Date

\_\_\_\_\_  
Michael F. Gearheard, Date

9/27/95

cc: Bob Bergquist, WDOE  
Matt Dalton  
Doug Holsten  
Richard Mednick

COPY

September 25, 1995

Mr. Michael Rosenberger  
Assistant City Attorney  
Office of the City Attorney  
600 Fourth Avenue - 10th Floor  
Seattle, WA 98104-1877

Re: Gas Works Park Clean Up

Dear Michael:

Although we have verbally acknowledged your letter of August 22, this letter will formally address your August 22 correspondence with the descriptive heading of "Gas Works Park Clean Up."

Since receipt of your letter we again reviewed the potential for liability of the gas company, third parties and the City of Seattle for clean up at the site. We discussed and reviewed the litigation potentials of the situation again with counsel for our insurance carriers. We considered the prospect for third-party contribution and we reviewed the nature and scope of clean-up requirements through independent consultants and through direct inquiry to the Department of Ecology. We learned some facts during this process which may be helpful to both the gas company and to the City.

The most encouraging, perhaps, is the remediation cost estimate of our independent consultant, after discussions with the Department of Ecology. We are advised that remediation could perhaps be completed for less than \$2 million. This estimate supports an effective remediation plan, acceptable to DOE.

In your letter of August 22, you reiterate the City's view that WNG has "little or no chance of prevailing on its contract argument . . .". Unfortunately, we may never agree on the contractual liability issues. Steve Secrist's memorandum, attached, addresses the contract language, its intent and the impact of liability imposed by CERCLA/MTCA. Steve reconfirmed our earlier conclusions with respect to the City's liability and the substantiality of the gas company's defenses.

Our intent, Michael, is not to argue our position here; but please know that neither the gas company nor our insurance carriers is capable of responding to the City's 80% contribution proposal.

Conversations with counsel for our insurance carriers remain inconclusive. Frankly, they are divided on whether or not to respond outside of a litigated proceeding.



Mr. Michael Rosenberger  
September 25, 1995  
Page 2

The primary concerns of the insurance carriers are: (1) the ultimate dollar exposure and, (2) the nature and extent of the release from liability which would attend their participation in clean-up expenditures. Based on the review of our outside environmental consultant, I am less concerned with the ultimate dollar exposure for site remediation. The defense and indemnity requirements of the insurance carriers remain a substantial concern.

Any settlement would require a Consent Decree with a covenant from the City of Seattle and the Department of Ecology not to look to the gas company for any further contribution at the site. Even with such protections, additional risks remain for off-site migration issues.

The Consent Decree will not be able to address WNG's exposure to suits from third parties who may have contributed to the site, such as ATCO and Metro. We and our carriers will, presumably, have to negotiate some allocation of these risks. WNG will likely have to hold the insurers harmless for subsequent lawsuits from these third parties and from EPA action on the "uplands site."

We previously offered to participate at a level of 30% with a maximum contribution of \$3 million. As noted above, we have not been successful in getting our insurance carriers to accept that proposal. Nonetheless, I am willing to consider a settlement with the City in exchange for the Consent Decree protections noted above. We are also prepared to provide a maximum contribution by WNG and its carriers of 50% of site clean-up costs pursuant to the Department of Ecology remediation, or \$5 million, whichever is less. If we are forced to respond to litigation, our tender for settlement in such amount would put the City at risk for our litigation costs in expensive and protracted litigation involving many parties with diverse interests.

Like you, I hope we can reach agreement. We do not have concurrence among our insurance carriers that they would participate with us in such a contribution level. They may not do so. WNG is accepting that risk. This represents our best effort to respond.

Sincerely,



Robert J. Tomlinson

Att.

bcc: Steve Secrist

David S. Johnson

Mick Larson





Steven R. Secrist  
Attorney

December 13, 1996

Mr. Steve McLellan, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr SW  
P.O. Box 47250  
Olympia, WA 98504-7250

RECEIVED  
RECORDS MANAGEMENT  
96 DEC 16 AM 9:45  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Re: Docket No. UG-920781 Washington Natural Gas Company's  
Accounting Order for Environmental Remediation Program/  
Quarterly Report for July 1, 1996 through September 30, 1996

Your reference No. 6-1165

Dear Mr. McLellan:

Washington Natural Gas Company (WNG) submits the following quarterly update reflecting a) the status of various remediation projects, b) costs incurred through September 30, 1996 and c) the status of legal proceedings related to any of these sites.

1. 22nd and "A" Street, Tacoma, Washington Site  
(Upland Source Control)

Black & Veatch Consultants working on behalf of the potentially liable parties (PLPs) submitted the Draft Technical Memorandum Pre-Remedial Design Report for Interim Source Control to WSDOE.

Currently, the PLPs are working on a cost-sharing arrangement for the scope of work necessary to proceed with the project. Individual tasks include regulatory negotiations, alternative selection, documentation, and remedial design.

Total remedial costs spent this quarter -0-.  
Total spent to date \$25,146.00.

2. WSDOT v. WNG (State)

Although this matter has been completed, it is included in this update because WNG sought attorneys' fees as the prevailing party in this action and successfully recovered the sum of \$25,835.27.

3. Thea Foss Waterway

Based upon EPA revisions, revised sections of the Round Two Data Evaluation Report were submitted to the EPA. The City has also begun work on the Round Three sampling and analysis plan. The City of Tacoma has also begun work on the development of the screening of Remedial Options Report which will target proposed remedial alternatives for the Thea Foss Waterway together with a estimate of the associated costs.

December 13, 1996

Page 2

To date, the City estimates that approximately 64% of the remedial design work is completed.

Total remedial costs spent this quarter \$4,942.00.  
Total spent to date \$42,747.00.

4. Everett, Washington

WNG is continuing to collect and analyze data from this site to assist in the development of a Cleanup Action Plan. Because WSDOE has encouraged WNG to proceed with an independent action, WNG will undertake the preparation of this report for submittal to WSDOE sometime in January, 1997.

Total remediation costs spent this quarter \$2,710.00.  
Total remedial costs spent to date \$462,940.00.

5. Chehalis, Washington

WNG continues to collect groundwater samples and analyze these to assess the effectiveness of the source removal that was performed in 1994-1995 and will continue to perform this function through at least December 1996.

Total remedial costs spent this quarter \$22.00.  
Total remedial costs to date \$1,717,177.00.

6. Gas Works Park

WNG and the City of Seattle are negotiating an agreed order with WSDOE which would advance the remediation project through preparation of a Cleanup Action Plan. In the course of these discussions, the parties are also developing a scope of work for the tasks to be performed prior to and as part of the Cleanup Action Plan and a schedule for the timing of these activities.

WNG and the City are also continuing to meet and discuss an equitable resolution to the division of costs that will be incurred over the course of the Cleanup Action Plan and implementation of the remediation design.

Total remedial costs spent to date: \$45,651.38 (WNG inadvertently reported costs associated with this site which included costs for outside counsel. These costs have been backed out leaving the aforementioned total remedial costs provided in accordance with the November 25, 1992 WNG remediation program letter from the WUTC).

7. Tulalip Landfill

WNG has now executed the De Minimum Settlement which includes an amount for Natural Resources Damages thereby concluding this matter. No further updates will be provided.

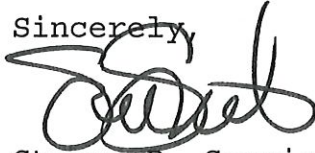
Total remedial costs spent this quarter \$11,070.00.  
Total remedial costs to date \$11,328.00.

December 13, 1996

Page 3

If you have any questions regarding any of these matters, or comments, please feel free to forward them to my attention.

Sincerely,



Steven R. Secrist  
Staff Counsel

SRS:jcv

cc: Bob Tomlinson  
Karl Karzmar  
Jim Russell (WUTC)  
Marty Heimbigner

c:\wpwin60\steve\insuranc\envmatt\wutcltrs\mclellan.d09





Steven R. Secrist  
Attorney

March 28, 1997

RECEIVED  
RECORDS MANAGEMENT  
97 MAR 31 AM 10:21  
STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

Mr. Steve McLellan, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Docket No. UG-920781 Washington Natural Gas Company Quarterly Report for the period October 1, 1996 through December 31, 1996**

**Your reference No. 6-1165**

Dear Mr. McLellan:

Washington Natural Gas Company, now Puget Sound Energy, Inc. (PSE), submits the following quarterly update reflecting *a*) the status of various remediation projects, *b*) costs incurred through December 31, 1996 and *c*) the status of any legal proceedings related to y these sites.

1. **22nd and "A" Street, Tacoma, Washington Site (Upland Source Control)**

The Potentially Liable Parties (PLPs) have negotiated a Second Addendum to the Funding and Participation Agreement under which Black & Veatch Consultants, Inc. will proceed with their analysis of source loading to the Thea Foss, further scoping of contaminants, and pre-remedial design.

Total remedial costs spent this quarter \$35,138.78.  
Total spent to date \$61,757.85.

2. **Thea Foss Waterway**

The City of Tacoma has completed its screening of Remedial Options Report for the Thea Foss and Wheeler Osgood Waterways. This report screens seven proposed alternatives for the remedial efforts at the Thea Foss Waterway and identifies three options which it proposes to carry forward for further analysis. The cost of the three alternatives range from \$11,000,000.00 to \$14,500,000.00. Of the three alternatives, the City of Tacoma has identified alternative No. 4 as the preferred proposal (costing \$11,280,000.00). This proposal would combine natural recovery, dredging of the mouth of the Wheeler Osgood and midpoint of the Thea Foss, a thick cap between S. 15<sup>th</sup> Street and E. 19<sup>th</sup> Street, and a Confined Aquatic Disposal Site (CAD) at the head of the Thea Foss Waterway.

The justifications for alternative No. 4 include the following:

- It is a permanent long-term solution that is consistent with the ARARs and is protective of human health and the environment.
- The construction of the CAD site provides an increase in the habitat area over the other alternatives.
- Of the available alternatives, alternative No. 4 poses one of the lowest risks of exposure to workers and the general public.
- The CAD site caps existing contamination at the head of the waterway and is closely situated to dredging activities.
- It is one of the least expensive viable alternatives.

March 28, 1997  
Page Two

The City is now working in round three performing analysis and data collection which will include a careful study of possible recontamination and source loading of contaminants at the head of the Thea Foss Waterway.

Total remedial costs spent this quarter \$8,621.63.  
Total spent to date \$51,368.18.

3. **Everett, Washington**

PSE has completed a draft of the Clean-up Action Plan and, upon completion, will proceed with the pre-remedial design which proposes a containment system with limited hot spot removal and groundwater treatment.

Total remediation costs spent this quarter \$4,310.84.  
Total remedial costs spent to date \$467,250.34.

4. **Chehalis, Washington**

PSE is continuing to monitor the groundwater at this site to assess the effectiveness of the source removal measures that were undertaken.

Total remedial costs spent this quarter \$4,583.70.  
Total remedial costs to date \$1,721,760.58.

5. **Gas Works Park**

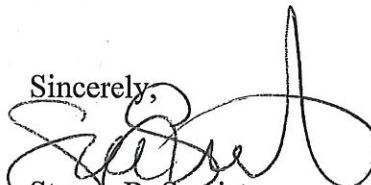
A Public Participation Plan was prepared to facilitate an opportunity for the public to comment on the data and reporting completed by PSE and The City of Seattle. The Public Participation Plan includes hearings at which the public can hear presentations regarding the preferred remedial option and data compiled to date and have an opportunity to present their opinions. There is also an opportunity for written opinions which can be submitted to either of the parties or WSDOE. Upon completion of the Public Participation phase, all comments received will be reviewed by the parties and, where appropriate, responses will be provided and/or the input may be incorporated into the remedial plans.

The next phase of the Public Participation Plan will include site tours which will be hosted by the parties and WSDOE and include a greater opportunity for the public to understand the nature of the environmental issues at Gas Works Park and the parties' plans for addressing these.

Total remedial costs spent this quarter \$12,619.18.  
Total spent to date: \$58,270.56.

If you have any questions regarding any of these matters, or comments, please feel free to forward them to my attention.

Sincerely,



Steven R. Secrist

SRS:jcv

cc: Karl Karzmar  
Jim Russell (WUTC)  
Marty Heimbigner  
Tim Hogan  
Steve Marshall  
David Brenner





RECEIVED  
RECORDS MANAGEMENT

97 AUG 25 AM 9:26

STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

August 21, 1997

Mr. Steve McClellan  
Washington Utilities & Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Subject: Docket Number UG-920781  
Quarterly Report for Environmental Issues  
for the Period January 1, 1997 through March 31, 1997**

Dear Mr. McClellan:

The following report is submitted for quarterly activity at sites where significant remedial activity is either underway or planned. Each of these sites was either formerly used for manufactured gas plant facilities or alleged to be contaminated from former manufactured gas plant (MGP) operations.

**1. Tacoma Gas Company Site (Upland Source Control):**

Black & Veatch Consultants (B&V) are continuing to develop modeling to demonstrate what, if any, contaminants from this site may be an ongoing source of contamination to the Thea Foss waterway. The results of this modeling are not expected to be completed until approximately September 1997 and may have a significant bearing upon any future remedial activity, if any, at this site.

Total remedial costs spent this quarter	\$157,031.23
Total spent to date	\$218,789.08

**2. Thea Foss Waterway**

The City of Tacoma, EPA, Department of Natural Resources, and the Army Corps of Engineers are evaluating and proposing modifications to the "Screening of Remedial Options Report" which was referenced in my March 28, 1997 letter. The currently favored remedial option still includes a combination of dredging, natural recovery, and capping. However, the appropriate mix of these three measures is still a subject of considerable debate. Sampling activity is planned for the summer of 1997 to further identify remedial hot spots within the Thea Foss and allow the City of Tacoma to provide greater specificity to the planned remedial options.

Total remedial costs spent this quarter	\$ 4,435.79
Total spent to date	\$55,803.97

*Copy to WTH  
km*



**3. Everett, Washington**

PSE is in the process of accumulating data for the pre-remedial design phase of this project. The currently anticipated remedial design includes a containment system, hot spot removal, and possible groundwater treatment.

Total remedial costs spent this quarter	\$5,023.53
Total spent to date	\$472,282.87

**4. Chehalis, Washington**

PSE continues to collect monitoring well data to assess the effectiveness of its remedial measures undertaken.

Total remedial costs spent this quarter	\$7,446.35
Total spent to date	\$1,729,206.93

**5. Gas Works Park**

Public participation plan was completed and implemented and WSDOE has engaged in discussions with PSE and the City of Seattle to determine what, if any, impact the public comments should have on the work plan going forward.

The City of Seattle and PSE are also negotiating an appropriate focused feasibility study with WSDOE for implementation during the Summer and Fall of 1997.

Total remedial costs spent this quarter	\$ 4,037.11
Total spent to date	62,307.67

If you desire any further information regarding any of these sites or have any input, please feel free to forward them to my attention.



Steven R. Secrist  
Director-Environmental Services

- cc: Steve McKeon  
Jim Eldredge  
Tim Hogan  
Karl Karzmar  
Steve Marshall  
David Brenner



P M

RECEIVED  
DEC 3 1997

97 DEC -3 AM 8:18

STATE OF WASHINGTON  
UTILITY TRANSFER  
COMMISSION

December 1, 1997

Mr. Steve McLellan, Secretary  
Washington Utilities & Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Subject: Docket Number UG-920781 (WNG)  
Docket Number UE-911476 (PSP&L)  
Report on Environmental Issues  
for the Period ending September 30, 1997**

Dear Mr. McLellan:

The following report is submitted in accordance with the above-referenced docket numbers to update the WUTC on environmental matters undertaken by Puget Sound Energy. Please note that for ease of communication, this report will combine remedial activity for both the former Puget Sound Power & Light and the former Washington Natural Gas Company. However, to assist your review, I will segregate this report into the following two headings: Former WNG sites and Former Puget Power sites.

Should you have any questions or comments regarding this new format, please let me know. Otherwise, all future updates will be provided in a similar fashion.

**1. FORMER WNG SITES**

**A. Tacoma Gas Company Site (Upland Source Control)**

Recontamination modeling is under development for the site to assist in the determination if any contamination from this property is an ongoing source of contamination to the Thea Foss Waterway. PSE's consultant, Black & Veatch, is performing this work and anticipates results by the end of December 1997. At that time, PSE and the other potentially liable parties (PLPs) will be able to commence negotiations with Washington State Department of Ecology (WDOE) to determine the appropriate remedial activity for the site, if any.

Total Remedial Costs Spent through 9/30/97 \$ 218,918.08

**B. Thea Foss Waterway**

The City of Tacoma, as the lead PRP for this project, is preparing a new proposed remedial option report. In its final form, it is anticipated that the City will propose a remedial option which combines dredging, natural recovery, and capping.

Total Remedial Costs Spent through 9/30/97 \$ 60,195.78

RMS ✓





### 3. UNDERGROUND STORAGE TANKS

The attached spreadsheet shows current and projected activity for PSE USTs. Current projections for remedial costs associated with USTs are \$1.1 million, but could change depending upon the level and impact of contamination found.

Total Remedial Costs Spent through 9/30/97 \$3,277,902.49

The information provided in this letter represents an update on all significant remedial activity currently in progress by PSE. PSE is also continuing to pursue insurance recoveries for both former WNG and former Puget Power related remedial activity. If you have any questions regarding this information, please let me know.

Sincerely,



Steven R. Secrist  
Director - Environmental Services

#### Attachment

cc: Tim Hogan  
Jim Eldredge  
Mel Walters  
Barry Lombard  
Gary Reid  
Mike Main  
Karl Karzmar  
Steve Marshall  
Steve McKeon  
Chuck Gordon  
David Brenner

## Underground Storage Tank Site Planned Improvements

1997

Site	Action <sup>♦</sup>
<b>ELECTRIC SITES</b>	
Enumclaw SVC	RMV
Olympia SVC	RMD (remediation substantially completed)
Tenino SVC	RMD (remediation substantially completed)
<b>GAS SITES</b>	
Auburn Operating Base	RMV
Georgetown	RMV
Kent Operating Base	RMV
Mercer Operating Base	RMV

1998

Site	Action <sup>♦</sup>
<b>ELECTRIC SITES</b>	
Bellevue GO Fuel	RMV
Bremerton SVC	RMV
Cougar Mtn Comm	RPL
Crystal Mtn.	UPGRD
Eastside Comm	RMV
Electron Gen	UPGRD
General Stores	RMV
Fleet SVC	RMV
Green Mt Comm	RPL
Kittitas SVC	UPGRD
Lynden SVC	RMV
Olympia SVC	RMD
Pt. Orchard	RMV
Puyallup SVC	RMV
Rattlesnake Comm	RPL
Vashon SVC	RMV
Whidbey SVC	RMV
<b>GAS SITES</b>	
Issaquah Operating Base	RMV
Jackson Prairie	RPL
North Operating Base	RMV
Totem Lake Operating Base	RMV

**♦Action Code Definitions:**

- INST - Installation - Does not include removal, remediation or restoration.
- RMD - Remediation - Includes only remediation of contamination, restoration, and reporting.
- RMV - Removal - Includes removal, remediation, and restoration but not UST installation.
- RPL - Replacement - Includes removal, remediation, installation, and restoration.
- UPGRD - Upgrade - Not remediation estimated as necessary for improvement.