

**Exh. CSH-3
Dockets UE-170033/UG-170034
Witness: Christopher S. Hancock**

**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**

Christopher S. Hancock

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to Staff Data Request No. 143

June 30, 2017

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

WUTC STAFF DATA REQUEST NO. 143

WUTC STAFF DATA REQUEST NO. 143:

RE: Decommissioning and Remediation of Colstrip Units 1 and 2

Please provide a detailed itemized descriptive list of what activities and projects are included in decommissioning and remediation of Colstrip Units 1 and 2 for Asset Retirement Obligations and the current account balance of funds held for each detailed item. Please identify which items are considered decommissioning and which are remediation.

Response:

Costs of removal are estimated and embedded in the approved depreciation rates and accumulated depreciation reserve balances through approved depreciation studies some of which are negotiated and settled. Cost of removal is split between "legal," associated with the Asset Retirement Obligation ("ARO"), and "non-legal," associated with the non-legal cost of removal (i.e., Non-Asset Retirement Obligation amounts). In general, Puget Sound Energy's ("PSE") AROs are considered to be recovering the remediation related activities.

Attached as Attachment A to PSE's Response to WUTC Staff Data Request No. 143, please find a detailed list of remediation costs which totals \$65,013,636. These amounts are based on the Master Plan Summary Report Update from Geosyntec Consultants dated September 23, 2016, which was filed as Exhibit No. ____ (RJR-24) to the Prefiled Direct Testimony of Ronald J. Roberts. The current ARO liability account balance, as of February 28, 2017, was \$59,771,387. There are no ARO balances associated with decommissioning cost for Colstrip Units 1 & 2. The \$59,771,387 of ARO was determined using the \$65,013,636 of remediation costs inflated to a remediation date of 2040 based on the Consumer Price Index and then discounted back to present using a credit adjusted risk free rate.

Please see PSE's Response to WUTC Staff Data Request No. 141 for PSE's current balance of non-legal cost of removal covering decommissioning as of December 31, 2016.

**ATTACHMENT A to PSE's Response to
WUTC Staff Data Request No. 143**

Colstrip 1.2 ARO Cost Estimates

Year	Detailed Itemized List	Remediation Costs in PSE
2017	Forced Evaporation	260,000
2018	Forced Evaporation	260,000
	Design A Pond Closure	75,000
2019	Design Capture Well Treatment System	100,000
	Close A Pond	1,250,000
	Wastewater Treatment	475,000
	Design STEP A Cell closure	150,000
2020	Close STEP A Cell	4,300,000
	Design Capture Well Storage Pond	75,000
	Wastewater Treatment	475,000
	Post Closure Care	14,000
	Design/Construct Capture Well Treatment System	3,230,000
	Construct Capture Well Storage Pond	855,000
2021	Construct Capture Well Treatment System	5,168,000
	Wastewater Treatment	475,000
	Post Closure Care	56,400
	Design STEP Old Clearwell closure	150,000
	Design STEP E Cell closure	150,000
	Design Bottom Ash Pond closure	150,000
	Close STEP Old Clearwell	1,150,000
2022	Close STEP E Cell	4,750,000
	Complete construction of Capture Well Treatment System	4,522,000
	Close bottom ash ponds and	850,000
	Wastewater Treatment	237,500
	Post Closure Care	56,400
	Design B Pond Closure at plant	75,000
2023	Close B Pond	1,400,000
	Wastewater Treatment	1,780,154
2024	Post Closure Care	122,400
	Wastewater Treatment	1,780,154
2025	Post Closure Care	160,300
	Wastewater Treatment	1,780,154
2026	Post Closure Care	160,300
	Wastewater Treatment	1,780,154
2027	Post Closure Care	160,300
	Wastewater Treatment	1,310,706
2028	Post Closure Care	160,300
	Wastewater Treatment	1,310,706
2029	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2030	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2031	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2032	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2033	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2034	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2035	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2036	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2037	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2038	Post Closure Care	160,300
	Wastewater Treatment	1,060,471
2039	Post Closure Care	160,300
	Wastewater Treatment	934,680
2040	Post Closure Care	160,300
	Wastewater Treatment	934,680
2041	Post Closure Care	160,300
	Wastewater Treatment	934,680
2042	Post Closure Care	160,300
	Wastewater Treatment	934,680
2043	Post Closure Care	160,300
	Wastewater Treatment	934,680
2044	Post Closure Care	160,300
	Wastewater Treatment	934,680
2045	Post Closure Care	160,300
	Wastewater Treatment	934,680
2046	Post Closure Care	160,300
	Wastewater Treatment	934,680
2047	Post Closure Care	160,300
	Wastewater Treatment	934,680
2048	Post Closure Care	160,300
	Wastewater Treatment	934,680
2049	Post Closure Care	160,300
2050	Post Closure Care	160,300
2051	Post Closure Care	160,300
Total		65,013,636