



Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

April 16, 2010

Mr. David W. Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504

2010 APR 23 AM 8:05
PSE
COMMUNICATIONS

Dear Mr. Danner:

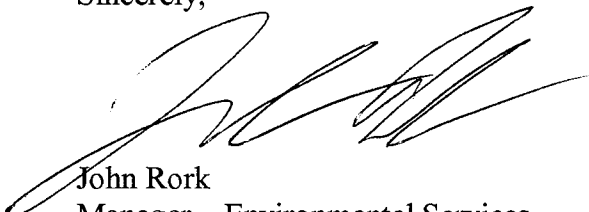
Subject: Environmental Report for the quarter ending March 31, 2010

- 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.

The attached spreadsheets represent a list of major sites PSE is currently investigating, monitoring and remediating. Actual costs at the close of the quarter, costs incurred & amortized costs for the quarter and estimate of project costs are shown on each of these sheets.

Sincerely,



John Rork
Manager – Environmental Services

Enclosure

PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Electric
March 31, 2010

September 2000 - forward		Site Description	SAP		SAP		Actual Costs		Future		Total	
Order	Account		Account Balance	1st Quarterly Activity	Account Balance	Through	Estimates	Cost	Estimates	Cost		
		(c) = (a) + (b)	(b)	(c) = (a) + (b)	(d)	(e)	(f) = (d) + (e)	(g) = (e) + (f)	(g) = (e) + (f)			
18230009	18232221	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris (Future Cost Est.)	0.00	250,000.00	0.00	250,000.00	0.00	250,000.00	250,000.00			
	18232251	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris	9,256.10	1,978,444.70	1,987,700.80	1,987,700.80	1,987,700.80	1,987,700.80	1,987,700.80			
		Subtotal White River/Buckley Phase II Burn Pile and Wood Debris Site	9,256.10	2,228,444.70	1,987,700.80	250,000.00	2,237,700.80	2,237,700.80	2,237,700.80			
18230021	18232261	Env Rem - Lower Duwamish Waterway (Future Cost Est.)	(252.28)	120,408.41	0.00	120,156.13	0.00	120,156.13	120,156.13			
	18232271	Env Rem - Lower Duwamish Waterway	252.28	79,591.59	79,843.87	79,843.87	79,843.87	79,843.87	79,843.87			
		Subtotal Lower Duwamish Waterway Site	0.00	200,000.00	79,843.87	120,156.13	200,000.00	200,000.00	200,000.00			
18601120	18608011	Env Rem - Lower Baker Power Plant (Future Cost Est.)	(34,433.71)	530,175.13	0.00	495,741.42	0.00	495,741.42	495,741.42			
	18608001	Env Rem - Lower Baker Power Plant	34,433.71	168,824.87	204,258.58	204,258.58	204,258.58	204,258.58	204,258.58			
		Subtotal Lower Baker Power Plant Site	0.00	700,000.00	204,258.58	495,741.42	700,000.00	700,000.00	700,000.00			
18601121	18608031	Env Rem - Snoqualmie Hydro Generation (Power Plant) Future Cost Est.)	(11,216.00)	437,974.30	0.00	426,758.30	0.00	426,758.30	426,758.30			
	18608021	Env Rem - Snoqualmie Hydro Generation (Power Plant)	11,216.00	262,025.70	273,241.70	273,241.70	273,241.70	273,241.70	273,241.70			
		Subtotal Snoqualmie Hydro Generation Site	0.00	700,000.00	273,241.70	426,758.30	700,000.00	700,000.00	700,000.00			
18601122	18608051	Env Rem - Bellingham South State Street MGP (former Boulevard Park) (Future Cost Est.)	(1,242.75)	412,955.58	0.00	411,712.83	0.00	411,712.83	411,712.83			
	18608041	Env Rem - Snoqualmie Hydro Generation (Power Plant)	1,242.75	87,044.42	88,287.17	88,287.17	88,287.17	88,287.17	88,287.17			
		Subtotal Bellingham South State Street MGP (former Boulevard Park) Site	0.00	500,000.00	88,287.17	411,712.83	500,000.00	500,000.00	500,000.00			
18601125	18608111	Env Rem - Electron Flume (Future Cost Est.)	(14,965.27)	419,305.08	0.00	404,339.81	0.00	404,339.81	404,339.81			
	18608081	Env Rem - Electron Flume	14,965.27	380,694.92	395,660.19	395,660.19	395,660.19	395,660.19	395,660.19			
		Subtotal Electron Flume Site	0.00	800,000.00	395,660.19	404,339.81	800,000.00	800,000.00	800,000.00			
18601128	18608151	Env Rem - Talbot Hill Substation and Switchyard (Future Cost Est.)	0.00	127,191.24	0.00	127,191.24	0.00	127,191.24	127,191.24			
	18608141	Env Rem - Talbot Hill Substation and Switchyard	0.00	222,808.76	222,808.76	222,808.76	222,808.76	222,808.76	222,808.76			
		Subtotal Talbot Hill Substation & Switchyard Site	0.00	350,000.00	222,808.76	127,191.24	350,000.00	350,000.00	350,000.00			
18230011	18230311	Env Rem - Whidbey Service Center UST (Future Cost Est.)	0.00	15,000.00	0.00	15,000.00	0.00	15,000.00	15,000.00			
	18233041	Env Rem - Baker Lake Resort UST (Future Cost Est.)	(25,063.75)	102,544.87	77,481.12	77,481.12	77,481.12	77,481.12	77,481.12			
	18233051	Env Rem - Baker Lake Resort UST	25,063.75	72,455.13	97,518.88	97,518.88	97,518.88	97,518.88	97,518.88			
		Subtotal Baker Lake Resort	0.00	175,000.00	97,518.88	77,481.12	175,000.00	175,000.00	175,000.00			
18230041	18230321	Env Rem - Tenino Service Center UST (Future Cost Est.)	(6,808.00)	94,256.45	0.00	87,448.45	0.00	87,448.45	87,448.45			
	18233091	Env Rem - Tenino Service Center UST	6,808.00	155,743.55	162,551.55	162,551.55	162,551.55	162,551.55	162,551.55			
		Subtotal Tenino Service Center UST	0.00	250,000.00	162,551.55	87,448.45	250,000.00	250,000.00	250,000.00			
18233061	18233061	Env Rem - Poulsbo Service Center UST (Future Cost Est.)	0.00	10,000.00	0.00	10,000.00	0.00	10,000.00	10,000.00			
		Total assets	9,256.10	5,928,444.70	5,937,700.80	3,511,871.50	2,425,829.30	5,937,700.80	5,937,700.80			
22840081	22840081	Env Rem - Puyallup Garage Site	0.00	(453,028.42)	0.00	468,000.00	0.00	468,000.00	468,000.00			
22840131	22840131	Env Rem - Crystal Mountain Generator Station Site	0.00	(500,000.00)	14,583,472.68	500,000.00	15,083,472.68	15,083,472.68	(A)			
22840031	22840031	Env Rem - Olympia Service Center UST	0.00	(129,471.05)	20,528.95	129,471.05	150,000.00	150,000.00				
22841001	22841001	Accum Misc Oper Provi - Unallocated Def Elec Env Rem Recoveries	0.00	(4,580,497.62)	0.00	0.00	0.00	0.00	0.00			
		Total Liabilities	0.00	(5,662,997.09)	14,604,001.63	1,097,471.05	15,701,472.68	15,701,472.68				
		Grand Total	9,256.10	265,447.61	274,703.71	18,115,873.13	3,523,300.35	21,639,173.48				

Footnotes:
(A) The total estimated costs for the Crystal Mountain Site of \$15,083,472.68 include PSE Insurance Recoveries of \$11,938,563. Future Cost Estimate of \$500,000 and Expensed amount of \$2,644,909.68 through report date.
(B) No evidence linking PSE to the Duwamish River site has been discovered and the litigation at the site involving other parties has been ongoing. The estimate reflects the uncertainty pertaining to the exposure that PSE may receive.

PUGET SOUND ENERGY, INC.
DEFERRED ENVIRONMENTAL COST SUMMARY GAS
March 31, 2010

September 1998 - forward		Site Description		12/31/2009	Activity	3/31/2010	Env Services	Cost Estimates	Amortization	Balance
SAP ORDER	SAP ACCOUNT			Account Balance		Account Balance	Project	3/31/2010	Dr. 40700002	3/31/2010
							3/31/2010	(c)		Closing
FORMER MANUFACTURED GAS SITES:										
TACOMA GAS COMPANY (UPLAND SOURCE CONTROL)										
18606102	18608612	Remediation costs		769,040.33	-	769,040.33	1,100,000.00	330,959.67		769,040.33
18606203	18608642	Legal Costs		15,888.20	-	15,888.20	-			15,888.20
		SUBTOTAL		784,928.53	-	784,928.53	1,100,000.00	330,959.67		784,928.53
THEA FOSS WATERWAY										
18607102	18608712	Remediation costs		3,870,823.68	59,906.46	3,930,730.14	10,000,000.00	6,069,269.86		3,930,730.14
18607203	18608742	Legal costs		4,416,615.62	-	4,416,615.62	-	6,069,269.86		4,416,615.62
		SUBTOTAL		8,287,439.30	59,906.46	8,347,345.76	10,000,000.00	12,138,539.72		8,347,345.76
EVERETT WASHINGTON										
18602102	18608212	Remediation Costs		1,367,902.86	2,055.38	1,369,958.24	4,500,000.00	3,130,041.76		1,369,958.24
18602203	18608242	Legal Costs		8,717.50	-	8,717.50	-			8,717.50
		SUBTOTAL		1,376,620.36	2,055.38	1,378,675.74	4,500,000.00	3,130,041.76		1,378,675.74
CHEHALIS WASHINGTON										
18603102	18608312	Remediation Costs		3,679,040.22	2,942.36	3,681,982.58	4,250,000.00	568,017.42		3,681,982.58
GAS WORKS PARK										
18604102	18608412	Remediation Costs		2,651,381.74	-	2,651,381.74	4,000,000.00	1,348,618.26		2,651,381.74
18604203	18608442	Legal Costs		856,121.11	-	856,121.11	-			856,121.11
	18608452	Internal Costs - pre-1997		366.95	-	366.95	-			366.95
		SUBTOTAL		3,507,869.80	-	3,507,869.80	4,000,000.00	1,348,618.26		3,507,869.80
QUEENDAL TERMINALS										
18612102	18609512	Remediation costs		-	-	-	1,000,000.00	1,000,000.00		-
18609302	18609522	Legal Costs		59,043.75	-	59,043.75	-			59,043.75
		SUBTOTAL		59,043.75	-	59,043.75	1,000,000.00	1,000,000.00		59,043.75
LAKE UNION SEDIMENTS										
18614102	18609312	Remediation costs		9,204,917.57	298,565.37	9,503,482.94	35,000,000.00	25,496,517.06		9,503,482.94
18614202	18600082	Legal Costs		665,123.59	-	665,123.59	-			665,123.59
		SUBTOTAL		9,870,041.16	298,565.37	10,168,606.53	35,000,000.00	25,496,517.06		10,168,606.53
TACOMA TARP PITS										
18601102	18608112	Remediation Costs through June 1999		34,826,945.69	-	34,826,945.69	3,250,000.00	251,638.88		34,826,945.69
18601102	18608112	Remediation Costs post-June 1999		2,944,607.80	53,753.32	2,998,361.12	-			2,998,361.12
18601203	18608142	Legal Costs		9,351,936.58	-	9,351,936.58	-			9,351,936.58
	18608152	Internal Costs pre-1997		209,796.52	-	209,796.52	-			209,796.52
		SUBTOTAL		47,333,286.59	53,753.32	47,387,039.91	3,250,000.00	251,638.88		47,387,039.91
BAY STATION										
18603202	18609532	Remediation costs		156,448.78	-	156,448.78	1,500,000.00	1,343,551.22		156,448.78
18603203	18609552	Legal Costs		29,544.00	-	29,544.00	-			29,544.00
		SUBTOTAL		185,992.78	-	185,992.78	1,500,000.00	1,343,551.22		185,992.78

PUGET SOUND ENERGY, INC.
DEFERRED ENVIRONMENTAL COST SUMMARY GAS
March 31, 2010

September 1998 - forward		Site Description		12/31/2009		3/31/2010		Env Services Project Cost Estimates		Remaining		Amortization		Balance	
SAP ORDER	SAP ACCOUNT			Account Balance	Activity	Account Balance	Cost Estimates	3/31/2010	18608022	18238022	22840002	Through 3/31/2010	Dr. 40700002	3/31/2010	Closing
18614402	18609542	OLYMPIA (COLUMBIA STREET MGPI)	Remediation costs	321,742.02	30,042.58	351,784.60	1,000,000.00		648,215.40					351,784.60	
18614403	18609562	Legal Costs		321,742.02	30,042.58	351,784.60	1,000,000.00		648,215.40					351,784.60	
		SUBTOTAL													
		VERBEEK AUTOWRECKING													
18608302	18608752	Remediation costs		136,476.37	9,789.10	146,265.47	1,500,000.00		1,353,754.53					146,265.47	
18608303	18608762	Legal Costs		9,760.00	-	9,760.00	-		-					9,760.00	
		SUBTOTAL		146,236.37	9,789.10	156,025.47	1,500,000.00		1,353,754.53					156,025.47	
		Estimated Future Costs		41,247,618.63	\$292,965.43	41,540,584.06								\$ 41,540,584.06	
		Unallocated Insurance and Third Party Recoveries		(64,473,021.57)	-	(64,473,021.57)								(64,473,021.57)	
		TOTAL - FORMER MANUFACTURED GAS SITES		\$ 52,326,837.94	\$ 750,000.00	\$ 53,076,837.94	\$ 67,100,000.00		\$ 41,540,584.06					\$ 53,076,837.94	
		GAS UNDERGROUND STORAGE TANKS AND OTHER SITES													
18230212	18237112	SWARR STATION		275,000.00	1,275.05	276,275.05	350,000.00		73,724.95					276,275.05	
18230210	18236912	NORTH OPERATING BASE		-	-	-	50,000.00		-					-	
	18237122	SOUTH SEATTLE GATE STATION		169,602.13	-	169,602.13	-		-					169,602.13	
	18237132	NORTH TACOMA GATE STATION		133,750.43	-	133,750.43	-		-					133,750.43	
	18237142	NORTH SEATTLE GATE STATION		53,995.63	-	53,995.63	-		-					53,995.63	
	18237152	COVINGTON GATE STATION		67,987.45	-	67,987.45	-		-					67,987.45	
	18236022	UST - ESTIMATED FUTURE COSTS		50,000.00	73,724.95	123,724.95	-		123,724.95					123,724.95	
		TOTAL - GAS UNDERGROUND STORAGE TANKS		\$ 750,335.64	\$ 75,000.00	\$ 825,335.64	\$ 400,000.00		\$ 123,724.95					\$ 825,335.64	
		TOTAL - GAS STORAGE TANKS AND MANUFACTURED GAS SITES		\$ 53,077,173.58	\$ 825,000.00	\$ 53,902,173.58	\$ 67,500,000.00		\$ 41,664,309.01					\$ 53,902,173.58	

NOTES:
(a) Represents balance in Account 18608022 after quarterly true-up
(b) Represents balance in Account 22840002 after quarterly true-up
(c) Represents the low end of the probable future cost estimate range
(d) Represents balance in Account 18236032 after quarterly true-up