

**EXH. SRS-3
DOCKETS UE-170033/UG-170034
2017 PSE GENERAL RATE CASE
WITNESS: STEVEN R. SECRIST**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-170033
Docket UG-170034**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF**

STEVEN R. SECRIST

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017



April 2, 1998

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

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STATE OF WASHINGTON
UTILITY AND TRANSPORTATION
COMMISSION

**Subject: Docket Number UG-920781 (WNG)
Docket Number UE-911476 (PSP&L)
Report on Environmental Issues
for the Period ending December 31, 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 (PSP&L) and the former Washington Natural Gas Company (WNG). To assist your review, I will segregate this report into the following two headings: former WNG sites and former Puget Power sites. Also, we received comments from the WUTC in response to our last update requesting that we include spreadsheets summarizing deferred environmental remediation costs for each quarter. The requested spreadsheet is attached for both the period ending December 31, 1997 and the period ending September 30, 1997. Prospectively, we will continue to provide you the spreadsheets on a quarterly basis as requested.

1. FORMER WNG SITES

A. Tacoma Gas Company Site (Upland Source Control)

The flux chamber analysis has been successfully completed and PSE will use the results to model the impact of groundwater carried constituents through the sediments in the adjacent waterway. This task will unavoidably overlap with work undertaken in the Thea Foss Waterway to fully assess the impact of the Coal Gas Site on the Waterway, if any. The Washington State Department of Ecology (WDOE) supports this effort and also expects that the results will yield a better picture of the subsurface conditions at the Coal Gas Site and in the sediment in the adjacent Thea Foss Waterway.

Total remedial costs spent through 12/31/97 \$ 225,617.12

*Copy to GAO
RNS
MSH*

B. Thea Foss Waterway

The Potential Responsible Parties (PRPs), including PSE, are developing an arbitration process in an attempt to voluntarily fund the Thea Foss remediation and avoid potential litigation. To this end, the PRPs have spent a considerable amount of time identifying other potential PRPs, developing a draft arbitration agreement, and defining the schedule and logistics for this nonbinding arbitration. The tentative schedule envisions the selection of an arbitrator by April 1, with a draft arbitration report completed by December 31, 1998.

At the same time, the PRPs are completing the Round 3 analysis and modeling for the actual remediation of the Thea Foss Waterway. The PRPs and EPA are still evaluating remedial alternatives. It is not expected that EPA will select/approve of a cleanup/disposal plant prior to October 1998.

Total remedial costs spent through 12/31/97 \$ 64,854.17

C. Everett, Washington

PSE has secured necessary permits for the containment wall as proposed as the remedial solution for this site. Implementation of this remedial alternative remains scheduled for Spring of 1998.

Total Remedial Costs Spent through 12/31/97 \$ 517,182.48

D. Chehalis, Washington - Gas Site

There is no change at this site. Until the groundwater table drops in the Summer of 1998, PSE is unable to perform any further analysis at this site.

Total remedial costs spent through 12/31/97 \$1,735,349.36

E. Gas Works Park

PSE and the City of Seattle performed interim remedial actions at this site in furtherance of the focused feasibility study currently underway. Approximately 20 barrels of subsurface tar were identified, collected, and removed for disposal. Another 3,000 gallons of tar were identified and will be removed sometime during the Spring of 1998. Despite these discoveries, the focused feasibility study remains on schedule for completion in December of 1998.

Total remedial costs spent through 12/31/97 \$ 163,182.53

2. FORMER PUGET POWER SITES

A. Northwest Transformer, Mission Pole

PSE stills awaits response from EPA concerning groundwater monitoring, expected in the first quarter of 1998.

Total remedial costs spent through 12/31/97 \$3,699,853.82 (no change)

B. Northwest Transformer, South Harkness

This site has been deleted from the Federal NPL and there is no change.

Total remedial costs spent through 12/31/97 \$2,390,780.00 (no change)

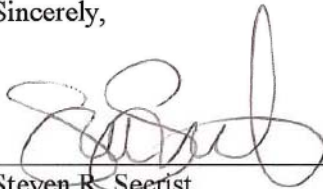
3. UNDERGROUND STORAGE TANKS (USTs)

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 12/31/97 \$3,277,668.66

The information provided in this letter represents an update on all significant remedial activity currently in progress by PSE. PSE continues to pursue insurance recoveries for both former WNG and former Puget Power-related remedial activity. PSE filed a lawsuit against the comprehensive general liability and first party property insurance carriers of the former WNG MGP facilities to pursue total recovery of the remedial costs incurred at each of the sites identified in this letter. A copy of the complaint is attached to this letter. Should you have any questions regarding any of the information contained in this letter please let me know.

Sincerely,



Steven R. Seerist
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
Jim Murray

Underground Storage Tank Site Planned Improvements

1997

Site	Action*
ELECTRIC SITES	
Enumclaw SVC	RMV
Olympia SVC	RMD (remediation substantially completed)
Tenino SVC	RMD (remediation substantially completed)
Redmond SVC	Closed in place
GAS SITES	
Auburn Operating Base	RMV
Georgetown	RMV
Kent Operating Base	RMV
Mercer Operating Base	RMV

1998

Site	Action*
ELECTRIC SITES	
Bellevue GO Fuel	RMV-1999
Bremerton SVC	RMV
Cougar Mtn Comm	RPL
Crystal Mtn.	UPGRD
Eastside Comm	RMV
Electron Gen	UPGRD
General Stores	RMV-1999
Fleet SVC	RMV-1999
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-1999
GAS SITES	
Issaquah Operating Base	RMV-1999
Jackson Prairie	RPL
North Operating Base	RMV-1999
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.