

**EXH. SEF-23  
DOCKETS UE-170033/UG-170034  
2017 PSE GENERAL RATE CASE  
WITNESS: SUSAN E. FREE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

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

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

**SUSAN E. FREE**

**ON BEHALF OF PUGET SOUND ENERGY**

**AUGUST 9, 2017**

**Comparison of PSE's and Commission Staff's method for allocating unassigned recoveries to specific sites for environmental remediation  
ELECTRIC**

SAP Order	SAP Account	Site Description	Recoveries applied by Staff	Availability of future insurance	Status of Project Activity *see footnote for explanation	PSE's recommendation based on site status
18230010	18231251	Env Rem - White River/Buckley Phase I Headworks (Remediation Cost)	100%	No	Low	Yes
18230009	18232251	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris	Partial	No	Low	Yes
18230021	18232271	Env Rem - Lower Duwamish Waterway	100%	Yes	High	No
18230041	18233091	Env Rem - Tenino Service Center UST	100%	No	Closed	Yes - First
18601120	18608001	Env Rem - Lower Baker Power Plant	100%	No	Low	Yes
18601121	18608021	Env Rem - Snoqualmie Hydro Generation (Power Plant)	No	No	Low	Yes
18601122	18608041	Env Rem - Bellingham South State Street MGP (former Blvd Park)	100%	Yes	High	No
18601125	18608081	Env Rem - Electron Flume	100%	No	Low	Yes
18601128	18608141	Env Rem - Talbot Hill Substation and Switchyard	100%	No	Low	Yes
18601130	18608191	Env Rem - Sammamish Substation	100%	No	Low	Yes
18601161	18608231	Env Rem - City of Olympia v PSE Plum Street Station	100%	Yes	High	No
18601171	18608251	Env Rem - Whitehorn UST Remediation	100%	No	Low	Yes
18601129	18608171	Env Rem - Everett Asarco	100%	No	Closed	Yes - First
18601151	18608211	Env Rem - Pt. Robinson Cable Station	100%	No	Closed	Yes - First

Activity Types

Closed No future costs for this matter are expected

Low While there continues to be risks for increased costs, PSE is actively managing these sites to keep costs at a minimum unless site conditions or regulatory conditions change and require increased activity

High Very active sites with past, present and future costs

**Comparison of PSE's and Commission Staff's method for allocating unassigned recoveries to specific sites for environmental remediation GAS**

SAP Order	SAP Account	Site Description	Recoveries applied by Staff	Availability of future insurance	Status of Project Activity *see footnote for explanation	PSE's recommendation based on site status
18606102	18608612	Tacoma Gas Company (Upload Source Control) (Remediation Costs)	100%	No	High	Yes
18607102	18608712	Thea Foss Waterway (Remediation Costs)				
18608772	18608772	Thea Foss Waterway (WADOT Settlement)				
18607103	18608722	Thea Foss Recovery	100%	No	Low	Yes
18602102	18608212	Everett Washington (Remediation Costs)				
18608782	18608782	Everett Washington (WADOT Settlement)	100%	No	Low	Yes
18603102	18608312	Chehalis Washington (Remediation Costs)				
18609432	18609432	Post - Nov 2012 Gas Works Park (Remediation Costs)				
18604102	18608412	Pre-Nov 2012 Gas Works Park (Remediation Costs)				
18614102	18609312	Pre-Nov 2012 Lake Union Sediments (Remediation Costs)	Partial	No	High	Yes
18612102	18609512	Quendall Terminal (Remediation Costs)				
18601102	18608112	Post-June 1999 Tacoma Tar Pits (Remediation Costs)	100%	Yes	High	No
18601102	18608112	Pre-June 1999 Tacoma Tar Pits (Remediation Costs)	100%	No	Low	Yes
18603202	18609532	Bay Station (Remediation Costs)				
18614402	18609542	Olympia Columbia Street MGP (Remediation Costs)				
18608792	18608792	Olympia Columbia Street MGP (WADOT Settlement)	100%	Yes	Low	No
18608302	18608752	Verbeek Autowrecking (Remediation Costs)				
18608304	18608752	Verbeek Autowrecking (Reimbursement of Remed Cost from 3rd Party)	100%	No	Low	Yes
18607104	18608002	Downtowner Property (Remediation Costs)				
			100%	No	Low	Yes
18230212	18237112	Gas Underground Storage Tanks and Other Sites SWARR STATION				
18237122	18237122	SOUTH SEATTLE GATE STATION	100%	No	Low	Yes
18237132	18237132	NORTH TACOMA GATE STATION	100%	No	Closed	Yes - First
18237142	18237142	NORTH SEATTLE GATE STATION	100%	No	Closed	Yes - First
18237152	18237152	COVINGTON GATE STATION	100%	No	Closed	Yes - First

Activity Types

Closed No future costs for this matter are expected

Low While there continues to be risks for increased costs, PSE is actively managing these sites to keep costs at a minimum unless site conditions or regulatory conditions change and require increased activity

High Very active sites with past, present and future costs

From Staff's work papers entitled: "170033-Staff-WP-ECO-Environ Rem 13.19.xlsx"

September 2000 - forward SAP Order	SAP Account	Site Description	Actual Costs Through Sept 2016	Recoveries from Insurance or Third Parties Through Sept 2016	Total costs reduced by insurance proceeds directly allocated to each project	Distribution of Unallocated Insurance Proceeds	Total to be amortized in the yearly reports after GRC
18230010	18231251	Env Rem - White River/Buckley Phase I Headworks (Remediation Cost)	5,906.25		5,906.25	(5,906.25)	-
18230009	18232251	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris	2,147,559.11		2,147,559.11	(149,864.37)	1,997,694.74
18230021	18232271	Env Rem - Lower Duwamish Waterway	465,045.94	(71,171.44)	393,874.50	(993,874.50)	-
18230041	18233091	Env Rem - Tenino Service Center UST	198,092.16		198,092.16	(198,092.16)	-
18601120	18608001	Env Rem - Lower Baker Power Plant	440,996.89		440,996.89	(440,996.89)	-
18601121	18608021	Env Rem - Snoqualmie Hydro Generation (Power Plant)	2,254,508.17		2,254,508.17		2,254,508.17
18601122	18608041	Env Rem - Bellingham South State Street MGP (former Blvd Park)	2,242,411.06	(662,553.87)	1,579,857.19	(1,579,857.19)	-
18601125	18608081	Env Rem - Electron Flume	659,654.59		659,654.59	(659,654.59)	-
18601128	18608141	Env Rem - Talbot Hill Substation and Switchyard	224,879.76		224,879.76	(224,879.76)	-
18601130	18608191	Env Rem - Sammamish Substation	400,495.47		400,495.47	(400,495.47)	-
18601161	18608231	Env Rem - City of Olympia v PSE Plum Street Station	324,638.12	(92,939.88)	231,698.24	(231,698.24)	-
18601171	18608251	Env Rem - Whitehorn UST Remediation	695.75		695.75	(695.75)	-
18601129	18608171	Env Rem - Everett Asarco	212,588.68		212,588.68	(212,588.68)	-
18601151	18608211	Env Rem - Pt. Robinson Cable Station	111,880.23		111,880.23	(111,880.23)	-
	22841001	Accum Misc Oper Provi - Unallocated Def Elec Env Rem Recoveries		(4,610,484.08)			
		Total	9,689,352.18	(5,437,149.27)	8,862,686.99	(4,610,484.08)	4,252,202.91

From Staff's work papers entitled "170034-Staff-WP-ECO-Environ Rem 11.19.xlsx"

September 1998 - forward SAP Order	SAP Account	Site Description Former Manufactured Gas Sites:	Actual Costs Through Sept 2016	Recoveries from Insurance or Third Parties Through Sept 2016	Total costs reduced by insurance proceeds directly allocated to each project	Distribution of Unallocated Insurance Proceeds	Total to be amortized in rates. Project costs included in the yearly reports after GRC
18606102	18608612	Tacoma Gas Company (Upblast Source Control) (Remediation Costs)	785,957.33		785,957.33	(785,957.33)	-
18607102	18608712	Thea Foss Waterway (Remediation Costs)	5,361,208.37				
18607103	18608772	Thea Foss Waterway (WADOT Settlement)		(3,488,999.10)			
	18608722	Thea Foss Recovery	8,781.25				
		Subtotal Thea Foss Waterway	5,369,989.62	(3,488,999.10)	1,880,990.52	(1,880,990.52)	-
18602102	18608212	Everett Washington (Remediation Costs)	1,470,852.25				
	18608782	Everett Washington (WADOT Settlement)		(801,550.75)			
		Subtotal Everett Washington	1,470,852.25	(801,550.75)	669,301.50	(669,301.50)	-
18603102	18608312	Chehalis Washington (Remediation Costs)	3,961,262.00		3,961,262.00	(3,961,262.00)	-
18605302	18609432	Post - Nov 2012 Gas Works Park (Remediation Costs)*	6,872,311.65				
18604102	18608412	Pre-Nov 2012 Gas Works Park (Remediation Costs)	2,651,381.74				
18614102	18609312	Pre-Nov 2012 Lake Union Sediments (Remediation Costs)	12,405,154.71				
		Subtotal Gas Works Park & Lake Union	21,928,848.10		21,928,848.10	(5,855,392.35)	16,073,455.75
18612102	18609512	Quendall Terminal (Remediation Costs)	227,819.36		227,819.36	(227,819.36)	-
18601102	18608112	Post-June 1999 Tacoma Tar Pits (Remediation Costs)	4,147,808.85				
18601102	18608112	Pre-June 1999 Tacoma Tar Pits (Remediation Costs)**	240,644.77				
		Subtotal Tacoma Tar Pits	4,388,453.62		4,388,453.62	(4,388,453.62)	-
18603202	18609532	Bay Station (Remediation Costs)	436,858.74		436,858.74	(436,858.74)	-
18614402	18609542	Olympia Columbia Street MGP (Remediation Costs)	1,263,973.54				
	18608792	Olympia Columbia Street MGP (WADOT Settlement)		(160,310.15)			
		Subtotal Olympia Columbia Street MGP	1,263,973.54	(160,310.15)	1,103,663.39	(1,103,663.39)	-
18608302	18608752	Verbeek Autowrecking (Remediation Costs)	2,050,122.67				
18608304	18608752	Verbeek Autowrecking (Reimbursement of Remed Cost from 3rd Party)		(1,114,592.67)			
		Subtotal Verbeek Autowrecking	2,050,122.67	(1,114,592.67)	935,530.00	(935,530.00)	-
18607104	18608002	Downtown Property (Remediation Costs)	518,202.47		518,202.47	(518,202.47)	-
18230212	18237112	Gas Underground Storage Tanks and Other Sites					
		SWARR STATION	289,121.19				
		SOUTH SEATTLE GATE STATION	169,602.13				
		NORTH TACOMA GATE STATION	133,760.43				
		NORTH SEATTLE GATE STATION	53,995.63				
		COVINGTON GATE STATION	67,987.45				
		Subtotal Underground Storage Tanks and other sites	714,456.83		714,456.83	(714,456.83)	-
	18608062	Unallocated Insurance and Third Party Recoveries***		(21,477,888.11)			
		<b>Total</b>	<b>43,116,796.53</b>	<b>(27,043,340.78)</b>	<b>37,551,343.86</b>	<b>(21,477,888.11)</b>	<b>16,073,455.75</b>

\*\$61.97 of meal reimbursement has been removed

\*\* Pre-June 1999 Tacoma Tar Pits (Remediation Costs) have been modified according to letter submitted on November 29 1995 by WNG (Exhibit 12) and subsequent WNG quarterly reports. The amount removed is \$34,641,077.23 which constitutes the transfer of "environmental balances to new accounts" documented in cell BF44, Tab "Attach A Staff 269", Exhibit 14.

\*\*\* The Unallocated Insurance and Third Party Recoveries have been modified as follows:

Unallocated funds according to PSE's filed case (Cell I60, Tab IJR-3G, 6.49E & 6.19G Environmental 17 GRC)	(50,267,724.64)
Recoveries directly allocated to Tacoma Tar Pits (Title Flats) according to letter submitted on November 29 1995 by WNG (Exhibit 12)	29,000,000.00
Company personnel costs are not subject to deferral according to UG-920781 section 3.C. The amount that is added back to the unallocated funds account corresponds to Tacoma Tar Pits internal costs, account 18608152, documented in Exhibit 13, page 1.	(209,796.52)
Company personnel costs are not subject to deferral according to UG-920781 section 3.C. The amount that is added back to the unallocated funds account corresponds to Gas Work park internal costs, account 18608452, documented in Exhibit 13, page 1.	(366.95)
<b>Total Unallocated Insurance and Third Party recoveries.</b>	<b>(21,477,888.11)</b>