

**EXH. SEF-24
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**

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

SUSAN E. FREE

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 9, 2017

**PUGET SOUND ENERGY - ELECTRIC
 ENVIRONMENTAL REMEDIATION
 FOR THE TEST YEAR TWELVE MONTHS ENDED SEPTEMBER 30, 2016
 2017 GENERAL RATE CASE**

LINE NO.	DESCRIPTION	REBUTTAL	
		MID RANGE FUTURE COST AMOUNT	LOW RANGE FUTURE COST AMOUNT
1	<u>ELECTRIC ENVIRONMENTAL REMEDIATION</u>		
2			
3	DEFERRED COSTS NET OF SITE SPECIFIC RECOVERIES AS OF SEPTEMBER 30, 2016	9,689,352	9,689,352
4	ANNUAL AMORTIZATION (LINE 3 + 5 YEARS)	1,937,870	1,937,870
5			
6	<u>INSURANCE PROCEEDS & THIRD PARTY PAYMENTS</u>		
7			
8	SHARE OF DEFERRED UNASSIGNED RECOVERIES AS OF SEPTEMBER 30, 2016	(2,570,427)	(3,616,971)
9	ANNUAL AMORTIZATION (LINE 8 + 5 YEARS)	(514,085)	(723,394)
10			
11	TOTAL RATE YEAR AMORTIZATION ENVIRONMENTAL (LINE 4 + LINE 9)	1,423,785	1,214,476
12			
13	INCREASE (DECREASE) FIT @ 35% (LINE 11 X 35%)	(498,325)	(425,067)
14			
15	INCREASE (DECREASE) NOI	(925,460)	(789,410)

DIFFERENCE NOI	136,051
DIFFERENCE EXPENSE	(209,309)

Using Low Range of Future Cost Estimates

September 2000 - forward SAP Order	SAP Account	Site Description	Actual Costs Through September-16	Recoveries from Insurance or Third Parties Through September-16
ELECTRIC SITES:				
18230010	18231251	Env Rem - White River/Buckley Phase I Headworks (Remediation Cost)	5,906	-
		Subtotal White River/Buckley Phase I Headworks Site	5,906	-
18230009	18232251	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris	2,147,559	-
		Subtotal White River/Buckley Phase II Burn Pile and Wood Debris Site	2,147,559	-
18230021	18232271	Env Rem - Lower Duwamish Waterway	465,046	(71,171)
		Subtotal Lower Duwamish Waterway Site	465,046	(71,171)
18230041	18233091	Env Rem - Tenino Service Center UST	198,092	-
		Subtotal Tenino Service Center UST	198,092	-
18601120	18608001	Env Rem - Lower Baker Power Plant	440,997	-
		Subtotal Lower Baker Power Plant Site	440,997	-
18601121	18608021	Env Rem - Snoqualmie Hydro Generation (Power Plant)	2,254,508	-
		Subtotal Snoqualmie Hydro Generation Site	2,254,508	-
18601122	18608041	Env Rem - Bellingham South State Street MGP (former Blvd Park)	2,242,411	(662,554)
		Subtotal Bellingham South State Street MGP (former Blvd Park) Site	2,242,411	(662,554)
18601125	18608081	Env Rem - Electron Flume	659,655	-
		Subtotal Electron Flume Site	659,655	-
18601128	18608141	Env Rem - Talbot Hill Substation and Switchyard	224,880	-
		Subtotal Talbot Hill Substation & Switchyard Site	224,880	-
18601130	18608191	Env Rem - Sammamish Substation	400,495	-
		Subtotal Sammamish Substation Site	400,495	-
18601161	18608231	Env Rem - City of Olympia v PSE Plum Street Station	324,638	-
		City of Olympia v PSE Plum St Station (Reimbursement from Insurance)	-	(92,940)
		Subtotal City of Olympia v PSE Plum Street Station	324,638	(92,940)
18601171	18608251	Env Rem - Whitehorn UST Remediation	696	-
		Subtotal Whitehorn UST	696	-
18601129	18608171	Env Rem - Everett Asarco	212,589	-
		Subtotal Everett Asarco Site	212,589	-
18601151	18608211	Env Rem - Pt. Robinson Cable Station	111,880	-
		Subtotal Pt. Robinson Cable Station	111,880	-
22841001		Accum Misc Oper Provi – Unallocated Def Elec Env Rem Recoveries	-	(4,610,484)
TOTAL ELECTRIC SITES (a)			9,689,352	(5,437,149)
LOW RANGE FUTURE COST ESTIMATES			4,876,000	
TOTAL ELECTRIC COST ESTIMATES AS OF DECEMBER 2015 (b)			14,565,352	
% Allocate a pro-rata share of the Insurance Proceeds and 3rd Parties Recoveries from Insurance Proceeds or 3rd Parties as of Sept 2016			(a) / (b)	67%
Prorata Insurance Proceeds and 3rd Party Payments			(c)	(5,437,149)
Prorata Insurance Proceeds and 3rd Party Payments				(3,616,971)

ENVIRONMENTAL REMEDIATION FUTURE COST ESTIMATE

ELECTRIC	
2016 Low Range Future Cost Estimate	
Bellingham SSS MGP	\$ 2,925,000
Talbot	75,000
Sammamish	50,000
Lower Baker	350,000
Poulsbo	20,000
Snoqualmie	50,000
Whidbey	30,000
Electron	250,000
Whitehorn	96,000
White River (Buckley 1)	465,000
White River (Buckley Debris)	200,000
City of Olympia vs PSE	115,000
Duwamish	250,000
Total Electric	\$ 4,876,000