



PUGET SOUND ENERGY

The Energy To Do Great Things

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

October 23, 2015

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
PO Box 47250
Olympia, WA 98504

Dear Mr. King:

Subject: Environmental Report for the quarter ending September 30, 2015

- 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.

PSE deferred accounting treatment matches the expenses of the remediation of these sites with the recovery of expenses from third parties. The costs for these sites currently exceed third party recoveries.

There are two versions of the attached spreadsheets representing a list of major sites PSE is currently investigating, monitoring and remediating. One version that PSE requests to be treated as Confidential and Privileged shows actual costs at the close of the quarter, costs incurred & amortized costs as well as an estimate of future project. Future cost estimates are confidential pursuant to WAC 480-07-160.

Also attached is a redacted version that only shows actual costs with the future estimates redacted.

Sincerely,

John Rork
Manager – Environmental Services

Enclosures

RECEIVED
 RECORDS MANAGEMENT
 2015 OCT 30 PM 3:01
 STATE OF WASH.
 UTIL. AND TRANS.
 COMMISSION

cc: Daniel Doyle
Kathie Barnard
Lorna Luebbe
Susan Free
Eric Englert
Jeff French
Jeff Thomas
Jayson Sowers

PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Gas

SAP Order	Liability	SAP Account	Site Description	SAP		SAP		Actual Costs		Future Cost		Total		Recoveries	
				Account Balance	September 30, 2015	Account Balance	September 30, 2015	Through	9/30/2015	Through	9/30/2015	Through	9/30/2015	Through	9/30/2015
				(a)	(b)	(c) = (a) + (b)		(d)	(e)	(f) = (d) + (e)		(g)			
FORMER MANUFACTURED GAS SITES:															
<small>(Tacoma Gas Company (Upload Source Control) (Remediation Costs))</small>															
18609612	22840012	18609612	Tacoma Gas Company (Upload Source Control) (Remediation Costs)	776,531.80	-	776,531.80	776,531.80	776,531.80							
Subtotal Tacoma Gas Company				776,531.80	-	776,531.80	776,531.80	776,531.80							
18607102	22840022	18609582	Thea Foss Waterway (Future Cost Est.)	5,358,520.29	(320.14)	5,358,200.15	5,358,200.15	5,358,200.15							
18607103		18608712	Thea Foss Waterway (Remediation Costs)	(3,488,999.10)	D	(3,488,999.10)	(3,488,999.10)	(3,488,999.10)							
18607203		18608742	Thea Foss Recovery	-		-	-	-							
			(B) Thea Foss Waterway (Legal Costs)	-		-	-	-							
			Subtotal Thea Foss Waterway	1,869,521.19	(320.14)	1,869,201.05	1,869,201.05	1,869,201.05							
18602102	22840032	18609592	Everett Washington (Future Cost Est.)	1,461,848.90	247.00	1,462,095.90	1,462,095.90	1,462,095.90							
		18608212	Everett Washington (Remediation Costs)	(801,550.75)	D	(801,550.75)	(801,550.75)	(801,550.75)							
		18608782	Everett Washington (WADOT Settlement)	660,298.15	247.00	660,545.15	660,545.15	660,545.15							
			Subtotal Everett Washington	660,298.15	247.00	660,545.15	660,545.15	660,545.15							
18603102	22840042	18609802	Chehalis Washington (Future Cost Est.)	3,949,045.03	7,529.65	3,956,574.68	3,956,574.68	3,956,574.68							
		18609312	Chehalis Washington (Remediation Costs)	3,949,045.03	7,529.65	3,956,574.68	3,956,574.68	3,956,574.68							
			Subtotal Chehalis Washington	3,949,045.03	7,529.65	3,956,574.68	3,956,574.68	3,956,574.68							
Gas Works Park (Future Cost Est.)															
18608302	22840332	18609422	Post - Nov 2012 Gas Works Park (Remediation Costs)	5,369,962.22	274,874.74	5,634,836.96	5,634,836.96	5,634,836.96							
18604102		18609432	Pre-Nov 2012 Gas Works Park (Remediation Costs)	2,651,381.74	-	2,651,381.74	2,651,381.74	2,651,381.74							
18614102		18609312	Pre-Nov 2012 Lake Union Sediments (Remediation Costs)	12,405,154.71	-	12,405,154.71	12,405,154.71	12,405,154.71							
			Subtotal Gas Works Park & Lake Union	20,416,498.67	274,874.74	20,691,373.41	20,691,373.41	20,691,373.41							
18612102	22840062	18609622	Quendall Terminal (Future Cost Est.)	27,871.55	2,222.00	30,093.55	30,093.55	30,093.55							
		18609512	Quendall Terminal (Remediation Costs)	27,871.55	2,222.00	30,093.55	30,093.55	30,093.55							
			Subtotal Quendall Terminal	27,871.55	2,222.00	30,093.55	30,093.55	30,093.55							
Tacoma Tar Pits (Future Cost Est.)															
18601102	22840082	18609642	Post-June 1999 Tacoma Tar Pits (Remediation Costs)	3,940,539.06	42,062.89	3,982,601.97	3,982,601.97	3,982,601.97							
18601102		18608112	Pre-June 1999 Tacoma Tar Pits (Remediation Costs)	34,881,722.38	-	34,881,722.38	34,881,722.38	34,881,722.38							
			Subtotal Tacoma Tide Flats	38,822,261.46	42,062.89	38,864,324.35	38,864,324.35	38,864,324.35							
18603202	22840092	18609652	Bay Station (Future Cost Est.)	231,369.84	-	231,369.84	231,369.84	231,369.84							
		18609532	Bay Station (Remediation Costs)	231,369.84	-	231,369.84	231,369.84	231,369.84							
			Subtotal Bay Station	231,369.84	-	231,369.84	231,369.84	231,369.84							
Olympia Columbia Street MGP (Future Cost Est.)															
18614402	22840102	18609662	Olympia Columbia Street MGP (Remediation Costs)	1,254,241.07	(1,987.94)	1,252,253.13	1,252,253.13	1,252,253.13							
		18609542	Olympia Columbia Street MGP (Remediation Costs)	(180,310.15)	D	(180,310.15)	(180,310.15)	(180,310.15)							
		18608792	Olympia Columbia Street MGP (WADOT Settlement)	1,093,930.92	(1,987.94)	1,091,942.98	1,091,942.98	1,091,942.98							
			Subtotal Olympia Columbia Street MGP	1,093,930.92	(1,987.94)	1,091,942.98	1,091,942.98	1,091,942.98							
Verbeek Autowrecking (Future Cost Est.)															
18608302	22840112	18609672	Verbeek Autowrecking (Future Cost Est.)	2,050,122.67	-	2,050,122.67	2,050,122.67	2,050,122.67							
		18608752	Verbeek Autowrecking (Remediation Costs)	(1,114,592.67)	-	(1,114,592.67)	(1,114,592.67)	(1,114,592.67)							
		18608752	Verbeek Autowrecking (Reimbursement of Remed Cost from 3rd Party)	935,530.00	-	935,530.00	935,530.00	935,530.00							
			Subtotal Verbeek Autowrecking	935,530.00	-	935,530.00	935,530.00	935,530.00							
Downtown Property (Future Cost Est.)															
18607104	22840162	18609012	Downtown Property (Future Cost Est.)	166,849.86	337,478.54	504,328.40	504,328.40	504,328.40							
		18608002	Downtown Property (Remediation Costs)	166,849.86	337,478.54	504,328.40	504,328.40	504,328.40							
			Subtotal Downtown Property	166,849.86	337,478.54	504,328.40	504,328.40	504,328.40							
			Unallocated Insurance and Third Party Recoveries	-	-	-	-	-							

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PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Gas
September 30, 2015

September 1998 - forward SAP Order	Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
SITES										
18230212	22840122	18809682 18237112	SWARR STATION (Future Cost Est.) SWARR STATION	279,321.20	-	279,321.20	279,321.20			
18230210	22840132	18809692 18238912	NORTH OPERATING BASE (Future Cost Est.) NORTH OPERATING BASE	279,321.20	-	279,321.20	279,321.20			
		18237122 18237132 18237142 18237152	(A) SOUTH SEATTLE GATE STATION (A) NORTH TACOMA GATE STATION (A) NORTH SEATTLE GATE STATION (A) COVINGTON GATE STATION	169,602.13 133,750.43 53,995.63 67,987.45	- - - -	169,602.13 133,750.43 53,995.63 67,987.45	169,602.13 133,750.43 53,995.63 67,987.45			
TOTAL - GAS STORAGE TANKS AND MANUFACTURED GAS SITES (182.3 and 186.0)				Total 188.0		682,106.74	682,106.74			
				\$ 89,654,365.31		682,106.74	\$ 70,316,472.05		\$ 70,316,472.05	

Footnotes:
 (A) Represents sites where no additional remedial actions are planned. Currently anticipating entering into insurance recoveries discussion in 2015.
 (B) Order 18607203 was re-opened in the 3rd Qtr of 2010 for posting legal cost related to THEA FOSS WATERWAY.
 (C) (Content not used) Includes the reimbursement from Seattle Public Utilities for site-wide costs that PSE incurred to support the development of the Remedial Investigation and Feasibility Studies (RI/FS) for the Gas Works site, for the period of 12/15/2012 - 6/14/13 (\$185,450.59).
 (D) Represents the legal dispute settlement between WADOT, Pacific and PSE on 10/22/2013.

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PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Electric
September 30, 2015

SAP Order	Liability Acct	SAP Account	Site Description	SAP		SAP		Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
				Account Balance 6/30/2015	Quarterly Activity	Account Balance 9/30/2015	Activity				
				(a)	(b)	(c) = (a) + (b)	(d)	(e)	(f) = (d) + (e)	(g)	
18230009	22840021	18232221	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris (Future Cost Est.)	2,142,305.36	-	2,142,305.36	2,142,305.36				
		18232251	Env Rem - White River/Buckley Phase II Burn Pile and Wood Debris								
			Subtotal Lower Duwamish Waterway Site	2,142,305.36	-	2,142,305.36	2,142,305.36				
18230021	22840221	18232261	Env Rem - Lower Duwamish Waterway (Future Cost Est.)	348,525.61	(60,314.05)	288,211.56	288,211.56				
		18232271	Env Rem - Lower Duwamish Waterway								
			Subtotal Lower Duwamish Waterway Site	348,525.61	(60,314.05)	288,211.56	288,211.56				
			Subtotal 182.3	2,680,923.13	(60,314.05)	2,639,609.08	2,639,609.08				
Project completed - Not included on City Memo											
18230041	22840061	18230321	Env Rem - Tenino Service Center UST (Future Cost Est.)	198,092.16	-	198,092.16	198,092.16				
		18230391	Env Rem - Tenino Service Center UST								
			Subtotal Tenino Service Center UST	198,092.16	-	198,092.16	198,092.16				
18801120	22840101	18809011	Env Rem - Lower Baker Power Plant (Future Cost Est.)	408,899.88	4,582.00	411,481.88	411,481.88				
		18809011	Env Rem - Lower Baker Power Plant								
			Subtotal Lower Baker Power Plant Site	408,899.88	4,582.00	411,481.88	411,481.88				
18801121	22840111	18809021	Env Rem - Snoqualmie Hydro Generation (Power Plant) Future Cost Est.)	2,254,508.17	-	2,254,508.17	2,254,508.17				
		18809021	Env Rem - Snoqualmie Hydro Generation (Power Plant)								
			Subtotal Snoqualmie Hydro Generation Site	2,254,508.17	-	2,254,508.17	2,254,508.17				
18801122	22840181	18809031	Env Rem - Bellingham South State Street M/GP (former Blvd Park) (Future Cost Est.)	2,170,138.05	(132,197.21)	2,037,940.84	2,037,940.84				
		18809041	Env Rem - Bellingham South State Street M/GP (former Blvd Park) Site								
			Subtotal Bellingham South State Street M/GP (former Blvd Park) Site	2,170,138.05	(132,197.21)	2,037,940.84	2,037,940.84				
18801125	22840191	18809081	Env Rem - Electron Flume (Future Cost Est.)	659,654.59	-	659,654.59	659,654.59				
		18809081	Env Rem - Electron Flume								
			Subtotal Electron Flume Site	659,654.59	-	659,654.59	659,654.59				
18801128	22840231	18809151	Env Rem - Talbot Hill Substation and Switchyard (Future Cost Est.)	224,879.76	-	224,879.76	224,879.76				
		18809141	Env Rem - Talbot Hill Substation and Switchyard								
			Subtotal Talbot Hill Substation & Switchyard Site	224,879.76	-	224,879.76	224,879.76				
18801130	22840421	18809181	Env Rem - Sammamish Substation (Future Cost Est.)	400,495.47	-	400,495.47	400,495.47				
		18809191	Env Rem - Sammamish Substation								
			Subtotal Sammamish Substation Site	400,495.47	-	400,495.47	400,495.47				
18801161	22840431	18809221	Env Rem - City of Olympia v PSE Plum Street Station (Future Cost Est.)	240,256.67	7,552.00	247,808.67	247,808.67				
		18809231	Env Rem - City of Olympia v PSE Plum Street Station								
			Subtotal City of Olympia v PSE Plum Street Station	240,256.67	7,552.00	247,808.67	247,808.67				
18801171	22840311	18809241	Env Rem - Whitehorn UST Remediation (Future Cost Est.)	695.75	-	695.75	695.75				
		18809251	Env Rem - Whitehorn UST Remediation								
			Subtotal Whitehorn UST	695.75	-	695.75	695.75				
Project completed - Not included on City Memo											
18801129	18809171	18809171	Env Rem - Everett Asarco	212,588.68	-	212,588.68	212,588.68				
			Subtotal Everett Asarco Site	212,588.68	-	212,588.68	212,588.68				
18801151	18809211	18809211	Env Rem - Pt. Robinson Cable Station	111,880.23	-	111,880.23	111,880.23				
			Subtotal Pt. Robinson Cable Station	111,880.23	-	111,880.23	111,880.23				
			Subtotal 186	9,370,920.38	(171,277.26)	9,199,643.12	9,199,643.12				
			Total Asset								

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PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Electric
September 30, 2015

September 2000 - forward SAP Order	Liability Accol SAP Account	Site Description	SAP Account Balance 6/30/2015	Quantity Activity	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
			(a)	(b)	(c) = (a) + (b)	(d)	(e)	(f) = (d) + (e)	(g)
22840081	22840081	Env Rem - Puyallup Garage Site	(550,000.00)		(550,000.00)	14,834.14			
22840131	22840131	Env Rem - Crystal Mountain Generator Station Site	(500,000.00)		(500,000.00)	14,583,472.88			
22840031	22840031	Env Rem - Olympia Service Center UST	(258,000.00)		(258,000.00)	20,528.95			
	22841001	Accum Misc Oper Provi - Unallocated Def Elec Env Rem Recoveries	(4,610,484.08)		(4,610,484.08)				
		Total Liabilities	(5,918,484.08)		(5,918,484.08)	14,618,836.77			
		Grand Total	3,452,436.30	(171,277.28)	3,281,159.04	23,818,478.89			

Footnotes:
(A) The total estimated costs for the Crystal Mountain Site of \$15,083,472.88 include PSE Insurance Recoveries of \$11,938,563, Future Cost Estimate of \$500,000 and Expensed amount of \$2,644,909.88 (Actual Costs less Recoveries) through report date.
Represents allocated proceeds from the insurance recoveries.

PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Gas
September 30, 2015

September 1998 - forward SAP Order	Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity (b)	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates (f) = (d) + (e)	Recoveries Through 9/30/2015
				(a)		(c) = (a) + (b)	(d)	(e)	(f) = (d) + (e)	(g)
FORMER MANUFACTURED GAS SITES:										
			1 Future Gas Utilized by Unusual Source Control (Future Cost Est.)							
			Tacoma Gas Company (Upload Source Control) (Remediation Costs)							
			Subtotal Tacoma Gas Company	776,531.80	-	776,531.80	776,531.80			
18606102		18609612	Thea Foss Waterway (Future Cost Est.)							
			Thea Foss Waterway (Remediation Costs)							
			Thea Foss Waterway (WADOT Settlement)							
			Thea Foss Recovery							
			Thea Foss Waterway (Legal Costs)							
			Subtotal Thea Foss Waterway	1,869,521.19	(320.14)	1,869,201.05	1,869,201.05			
18607102		18609582	Everett Washington (Future Cost Est.)							
			Everett Washington (Remediation Costs)							
			Everett Washington (WADOT Settlement)							
			Subtotal Everett Washington	1,461,848.90	247.00	1,462,095.90	1,462,095.90			
				(801,550.75) D	-	(801,550.75) D	(801,550.75)			
				660,298.15	247.00	660,545.15	660,545.15			
18602102		18609592	Everett Washington (Future Cost Est.)							
			Everett Washington (Remediation Costs)							
			Everett Washington (WADOT Settlement)							
			Subtotal Everett Washington	3,949,045.03	7,529.65	3,956,574.68	3,956,574.68			
18603102		18609312	Chehalis Washington (Remediation Costs)							
			Subtotal Chehalis Washington	3,956,574.68		3,956,574.68	3,956,574.68			
22840332		18609422	Gas Works Park (Future Cost Est.)							
			Post - Nov 2012 Gas Works Park (Remediation Costs)							
			Pre-Nov 2012 Gas Works Park (Remediation Costs)							
			Pre-Nov 2012 Lake Union Sediments (Remediation Costs)							
			Subtotal Gas Works Park & Lake Union	5,359,962.22	274,874.74	5,634,836.96	5,634,836.96			
				12,405,154.71	-	2,651,381.74	2,651,381.74			
				20,416,498.67	274,874.74	20,691,373.41	20,691,373.41			
22840062		18609622	Quendall Terminal (Future Cost Est.)							
			Quendall Terminal (Remediation Costs)							
			Subtotal Quendall Terminal	27,871.55	2,222.00	30,093.55	30,093.55			
18612102		18609512	Tacoma Tar Pits (Future Cost Est.)							
			Post-June 1999 Tacoma Tar Pits (Remediation Costs)							
			Pre-June 1999 Tacoma Tar Pits (Remediation Costs)							
			Subtotal Tacoma Tide Flats	3,940,539.08	42,062.89	3,982,601.97	3,982,601.97			
				34,881,722.38	-	34,881,722.38	34,881,722.38			
				38,822,261.46	42,062.89	38,864,324.35	38,864,324.35			
22840092		18609652	Bay Station (Future Cost Est.)							
			Bay Station (Remediation Costs)							
			Subtotal Bay Station	231,369.84	-	231,369.84	231,369.84			
18603202		18609532	Olympia Columbia Street MGP (Future Cost Est.)							
			Olympia Columbia Street MGP (Remediation Costs)							
			Olympia Columbia Street MGP (WADOT Settlement)							
			Subtotal Olympia Columbia Street MGP	1,254,241.07	(1,987.94)	1,252,253.13	1,252,253.13			
				(160,310.15) D	-	(160,310.15) D	(160,310.15)			
				1,093,930.92	(1,987.94)	1,091,942.98	1,091,942.98			
22840112		18609672	Verbeek Autowrecking (Future Cost Est.)							
			Verbeek Autowrecking (Remediation Costs)							
			Verbeek Autowrecking (Reimbursement of Remed Cost from 3rd Party)							
				2,050,122.67	-	2,050,122.67	2,050,122.67			
				(1,114,592.67)	-	(1,114,592.67)	(1,114,592.67)			

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PUGET SOUND ENERGY, INC.
 Deferred Environmental Cost Summary Gas
 September 30, 2015

September 1998 - forward SAP Order	Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
22940162		18608012	Downtowner Property (Future Cost Est.)							
18607104		18608002	Downtowner Property (Remediation Costs)	166,849.86	337,478.54	504,328.40	504,328.40			
		18609062	Subtotal Downtowner Property	166,849.86	337,478.54	504,328.40	504,328.40			
			Unallocated Insurance and Third Party Recoveries	-	-	-	-			
			Subtotal Verbeek Autowrecking	935,530.00	-	935,530.00	935,530.00			

PUGET SOUND ENERGY, INC.
Deferred Environmental Cost Summary Gas
September 30, 2015

September 1998 - Forward SAP Order	Liability	SAP Account	Site Description	SAP Account Balance 6/30/2015	Quarterly Activity	SAP Account Balance 9/30/2015	Actual Costs Through 9/30/2015	Future Cost Estimates	Total Cost Estimates	Recoveries Through 9/30/2015
22840122	18609682	18609682	SWARR STATION (Future Cost Est)	279,321.20	-	279,321.20	279,321.20			
18230212	18237112	18237112	SWARR STATION	279,321.20	-	279,321.20	279,321.20			
22840132	18609692	18609692	NORTH OPERATING BASE (Future Cost Est)	-	-	-	-			
18230210	18236912	18236912	NORTH OPERATING BASE	-	-	-	-			
		18237122	(A) SOUTH SEATTLE GATE STATION	169,602.13	-	169,602.13	169,602.13			
		18237132	(A) NORTH TACOMA GATE STATION	133,750.43	-	133,750.43	133,750.43			
		18237142	(A) NORTH SEATTLE GATE STATION	53,995.63	-	53,995.63	53,995.63			
		18237152	(A) COVINGTON GATE STATION	67,987.45	-	67,987.45	67,987.45			
TOTAL - GAS STORAGE TANKS AND MANUFACTURED GAS SITES (182.3 and 186.0)				704,656.84	-	704,656.84	704,656.84			
Total 186.0				\$ 68,949,708.47	\$ 662,106.74	\$ 69,611,815.21	\$ 69,611,815.21			
				\$ 69,654,355.31	\$ 662,106.74	\$ 70,316,472.05	\$ 70,316,472.05			

REDACTED

Footnotes:
 (A) Represents sites where no additional remedial actions are planned. Currently anticipating entering into insurance recoveries discussion in 2015.
 (B) Order 18607203 was re-opened in the 3rd Qtr of 2010 for posting legal cost related to THEA FOSS WATERWAY.
 (C) (Content not used) Includes the reimbursement from Seattle Public Utilities for site-wide costs that PSE incurred to support the development of the Remedial Investigation and Feasibility Studies (RIFS) for the Gas Works site, for the period of 12/15/2012 - 6/14/13 (\$185,450.59).
 (D) Represents the legal dispute settlement between WADOT, Pacific and PSE on 10/22/2013.