

**Exh. JL-7
Docket UE-200115
Witness: Jing Liu**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

DOCKET UE-200115

PUGET SOUND ENERGY

**For an Order Authorizing the Sale of All
of Puget Sound Energy's Interests in
Colstrip Unit 4 and Certain of Puget
Sound Energy's Interests in the Colstrip
Transmission System**

**EXHIBIT TO
TESTIMONY OF**

Jing Liu

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

***PSE's Response to UTC Staff Data Request No. 36 on Dry Ash
Disposal Related Remediation Cost and O&M***

October 2, 2020

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UE-200115
Puget Sound Energy
Application Authorizing Sale of PSE Interest in Colstrip Unit 4**

WUTC STAFF DATA REQUEST NO. 036:

Re: Dry Ash Disposal Related Remediation Cost and O&M

For above-ground dry ash disposal for Colstrip Unit 4, please provide current estimates for future remediation costs as well as future O&M costs. Please provide the estimates on an annualized basis beginning with the year dry ash disposal is expected to completely replace the current ash pond system assuming 10 more years of normal operation. Please identify and describe the basic assumptions used in the calculation of these estimated costs.

Response:

Ash disposal is part of the operations and maintenance (“O&M”) costs for Colstrip Units 3 & 4. The process of creating electricity from coal produces ash and therefore is an intrinsic operational cost of electricity production from coal. Remediation at Colstrip involves the activities related to closure of ash ponds and addressing groundwater impacts.

Remediation costs for the closure of ash ponds and to address groundwater impacts will continue for many years; current plans approved by the Montana Department of Environmental Quality (MDEQ) include remediation activities at the site until 2071. The total cost for Colstrip Units 3 & 4 water-related remediation is currently estimated at \$154 million. Further information on the remediation at Colstrip can be viewed at MDEQ’s website <http://deq.mt.gov/DEQAdmin/mfs/ColstripSteamElectricStation>.

Conversion to dry ash disposal must be in place by July 1, 2022 and is currently in the design phase and not yet fully completed. The Colstrip Owners have hired an outside consultant, Worley, to design and construct the dry ash disposal system. Specific estimates of the O&M cost for the dry ash disposal process are not yet available because final design is still pending. These costs will be part of the ongoing operation at Colstrip Units 3 & 4 and will not be treated as remediation costs.