

**EXHIBIT NO. \_\_\_(RG-12)**  
**DOCKET NO. UE-09\_\_\_/UG-09\_\_\_**  
**2009 PSE GENERAL RATE CASE**  
**WITNESS: ROGER GARRATT**

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-09\_\_\_**  
**Docket No. UG-09\_\_\_**

**ELEVENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
ROGER GARRATT  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**MAY 8, 2009**



## Memorandum

October 15, 2008

To: Paul Wiegand

From: Ed Odom  
Ed Schild

Cc: Vincent Fong

Subject: PSE Generating Facility Operating Standard

The purpose this Operating Standard is to define the Company's policy for continued safe and reliable operations of PSE's generating facilities.

When PSE purchases or constructs a generating facility and before the facility is placed into service for commercial operation, or shortly thereafter as deemed reasonable in the situation, the company will ensure the following standards are met. As a general rule, PSE will identify the correction that needs to be made to meet the operating standards within two months of purchasing the plant and the corrections will be made within one year of commercial operation:

- Safe Operations

It is Puget Sound Energy's policy and primary goal to ensure the safety and health of its employees and the community. All PSE's generating facilities will meet the safety guidelines required by the Company's Employee Safety & Health Program.

- Environmental Protection

PSE will operate all its generating facilities as good stewards of the environment. The Company will operate within the guidelines promulgated by federal, state and local environmental regulatory agencies. PSE generating facilities will meet the environmental guidelines required by the Company's Environmental Compliance Policy.

- Insurability Standards

The Company will not operate equipment without adequate insurance protection for the stakeholders of the Company.

- **Generation Availability**  
PSE will operate its generating facilities in a prudent manner that will meet the power delivery needs, availability requirements, and obligations of our customers. The Company will implement manufacturers' technical information bulletins and other recommended modifications as required to ensure continued safe and reliable operations. PSE will evaluate company and industry operating experience and best practices to determine whether additional equipment or system modifications are needed to meet the Company's operating requirements.
- **Regulatory Compliance**  
PSE will meet all standards of federal, state, and local regulations in addition to those highlighted in this Operating Standard.
- **Security Compliance**  
PSE will operate its generating facilities in a secure manner to ensure the protection of the company's assets for the customers of the Company. The Company will operate the facilities within the guidelines of the Company's Security Department Policies.
- **Information Technology (IT) Integration**  
PSE's generation facilities will be configured to integrate within the company's IT infrastructure. PSE's facilities will meet all IT computer and software standards to ensure facility reliability and communication standards as required by the company's Information Technology Department and regulatory agencies.
- **Communication Standards**  
PSE's generation facilities will be configured with communication networks that meet the standards of the Company's Communication Department Policies and Procedures.
- **Due Diligence**  
PSE will perform due diligence as part of an acquisition of a generating facility. During the due diligence process PSE will evaluate a facility's capability based on industry standards, best industry practices, equipment manufacturers' standards, and PSE's other operating standards. PSE will make necessary corrective repairs and modifications to the facility's physical condition when acquired in a timely manner to remediate deficiencies discovered during the due diligence process or document why a particular repair or modification has been deemed not necessary.