

**EXHIBIT NO. ___(RG-53T)
DOCKET NO. UE-072300/UG-072301
2007 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-072300
Docket No. UG-072301**

**PREFILED SUPPLEMENTAL
DIRECT TESTIMONY (NONCONFIDENTIAL) OF
ROGER GARRATT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

DECEMBER 21, 2007

PUGET SOUND ENERGY, INC.

**PREFILED SUPPLEMENTAL
DIRECT TESTIMONY (NONCONFIDENTIAL) OF
ROGER GARRATT**

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PUGET SOUND ENERGY, INC.

**PREFILED SUPPLEMENTAL
DIRECT TESTIMONY (NONCONFIDENTIAL) OF
ROGER GARRATT**

I. INTRODUCTION

Q. Are you the same Roger Garratt who provided prefiled direct testimony in this Docket on behalf of Puget Sound Energy, Inc. (“PSE” or “the Company”)?

A. Yes.

Q. Have you filed testimony and supporting exhibits in this proceeding?

A. Yes, I filed testimony, Exhibit No. ____ (RG-1HCT) and fifty-one supporting exhibits (Exhibit No. ____ (RG-2) through Exhibit No. ____ (RG-52HC)).

Q. What topics are you covering in your prefiled supplemental direct testimony?

A. I am updating the Commission regarding the Company’s purchase of the Sumas Cogeneration Station from Sumas Cogeneration Company, L.P. (“SCCLP”).

1 **II. UPDATE REGARDING THE PURCHASE OF THE SUMAS**
2 **COGENERATION STATION BY PSE**

3 **Q. Please summarize the events leading up to the Company’s purchase of the**
4 **Sumas Cogeneration Station.**

5 A. As discussed in my prefiled direct testimony, Exhibit No. ___(RG-1HCT),
6 SCCLP stopped supplying energy to PSE under the long-term firm power
7 purchase agreement between PSE and SCCLP because SCCLP was experiencing
8 increasing financial pressures for a variety of reasons, including but not limited to
9 high gas prices, increasing royalty costs on Canadian gas reserves, and concerns
10 about meeting debt service coverage. To address this breach, PSE and SCCLP
11 agreed to pursue a settlement whereby SCCLP would sell the Sumas
12 Cogeneration Station to PSE at a significant discount.

13 **Q. Had the Company and SCCLP finalized and executed definitive agreements**
14 **for the purchase and sale of the Sumas Cogeneration Station at the time you**
15 **filed your prefiled direct testimony in this proceeding?**

16 A. No. My prefiled direct testimony was filed in this proceeding on December 3,
17 2007. At that time, PSE and SCCLP had agreed to all final terms regarding the
18 purchase and sale of the Sumas Cogeneration Station but had not yet finalized the
19 definitive agreements. Therefore, my prefiled direct testimony discusses the
20 terms of the purchase and sale of the Sumas Cogeneration Station but does not
21 provide the definitive agreements for such purchase and sale as an exhibit.

1 **Q. Have the Company and SCCLP subsequently finalized and executed**
2 **definitive agreements for the purchase and sale of the Sumas Cogeneration**
3 **Station?**

4 A. Yes, PSE and SCCLP finalized and executed definitive agreements for the
5 purchase and sale of the Sumas Cogeneration Station on December 7, 2007.
6 Please see Exhibit No. ___(RG-54C) for a copy of the definitive agreements for
7 the purchase and sale of the Sumas Cogeneration Station.

8 **Q. Do you have any changes to your prefiled direct testimony and supporting**
9 **exhibits now that PSE and SCCLP have finalized and executed the definitive**
10 **agreements for the purchase and sale of the Sumas Cogeneration Station?**

11 A. No, the definitive agreements reflect the terms of the purchase and sale discussed
12 in my prefiled direct testimony and supporting exhibits. The Company, however,
13 is redesignating those portions of prefiled direct testimony and supporting
14 exhibits that relate to the purchase and sale of Sumas Cogeneration Station as
15 public or confidential now that PSE and SCCLP have finalized and executed the
16 definitive agreements.

17 **III. CONCLUSION**

18 **Q. Does that conclude your prefiled supplemental direct testimony?**

19 A. Yes, it does.