

Exhibit No. EH-13
Docket U-180680
Witness: Erin Hutson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. U-180680

TESTIMONY OF

ERIN HUTSON

LABORERS INTERNATIONAL UNION OF AMERICA

Exhibit EH-13

February 8, 2019



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Responsible Supplier and Contractor Guidelines

Overview

Puget Sound Energy's Responsible Supplier and Contractor Guidelines are aimed at providing information regarding the company's expectations of entities with which we do business. The guidelines are aimed at providing direction in the contractor selection process in a manner that is consistent with the company's fiduciary responsibility related to its investments.

Contractors are expected to do what is necessary to operate within these guidelines. They are also required to be familiar with the business practices of their suppliers and sub-contractors and ensure that they operate within the guidelines. Failure to comply with these standards may result in the discontinuance of business relationships.

Guidelines

PSE expects all contractors and sub-contractors to comply with all applicable laws and regulations, such as those pertaining to the environment, safety and employment, and child labor laws. In the process for selecting qualified contractors, the following factors may be taken into account:

- PSE is committed to ensure that minority, women, veteran-owned, and small business enterprises have the opportunity to compete for contracts awarded by the company. PSE is a strong supporter of the Northwest Minority Business Council. PSE may consider whether the prospective contractor is a diverse-owned (including woman, minority, veteran-owned) business enterprise.
- PSE supports diversity and equal opportunity in employment. Unlawful discrimination in the work-place is not tolerated. Contractors and sub-contractors are expected to comply with all applicable laws concerning discrimination in hiring and employment practices.
- PSE respects the environment and conducts its operations in compliance with applicable laws and regulations. Contractors are expected to conduct their operations in a way that protects the environment. Contractors are expected to comply with all applicable environmental laws and regulations in the regions in which they operate.
- PSE strives to conduct its business honestly, fairly, and ethically as outlined in its corporate ethics and compliance code. PSE will consider whether the prospective contractor has a record of demonstrated compliance, i.e., the prospective contractor has no record of significant violations of laws, rules, or regulations pertinent to the work to be performed. PSE's contracting process aims to select the contractor which provides the best value overall. Considerations include supplier and contractor qualifications, safety, experience, customer service, cost, ability to meet schedule, financial health, and related risks.
- PSE is committed to the safety and health of its employees and conducts its operations in compliance with applicable laws and regulations. Contractors are expected to provide a safe working environment that supports accident prevention and minimizes exposure to health risks. Contractors are expected to comply with all applicable safety and health laws and regulations in the regions in which they operate. PSE monitors supplier and contractor performance and has contractual right to perform operational, compliance, and financial audits as deemed appropriate, including for instance, payments to sub-contractors.
- PSE strives to be a good neighbor in the regions in which it does business. PSE will endeavor, when reasonably feasible, to hire local labor when working in smaller communities.
- Contractors are expected to comply with all applicable wage and hour labor laws and regulations governing employee compensation and working hours.

In addition, the following will be taken into consideration when awarding service contracts for large construction projects (e.g., more than \$5 million for contracts, \$1 million for subcontracts) of a non-emergency nature:

- PSE is interested in ensuring trained and qualified personnel are available for the future, through programs such as training and/or employee development efforts and in building a durable partnership with key skilled craft stakeholders. We will notify key entities to assist us in identifying potential bidders: (1) when we are developing lists of preferred providers, and (2) when contracted services are needed for construction contracts in excess of \$5 million.

To ensure cost-effective and timely service to utility customers, the following situations are not governed by the guidelines:

- Emergency repairs or restoration, including but not limited to those related to a major storm, earthquake, or equipment failure.
- Highly specialized work with few or no contractors qualified to provide desired work or service in the desired time period.



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