

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

In the Matter of Application of

DOCKET NO. UE-991409

PUGET SOUND ENERGY, INC.

for (1) Approval of the Proposed Sale of
PSE's Share of the Centralia Facilities, and
(2) Authorization to Amortize Gain Over a
Five-Year Period.

In the Matter of Application of

DOCKET NO. UE-991255

AVISTA CORPORATION

for Authority to Sell Its Interest In the
Coal-Fired Centralia Power Plant.

In the Matter of Application of

DOCKET NO. UE-991262

PACIFICORP

**DIRECT TESTIMONY OF
BRIAN P. CLEWES**

for an Order Approving the Sale of its
Interest in (1) The Centralia Steam Electric
Generating Plant, (2) The Ratebased
Portion of the Centralia Coal Mine, and (3)
Related Facilities; For a Determination of
the Amount of and the Proper Ratemaking
Treatment of the Gain Associated with the
Sale; and for an EWG Determination.

1 Q. Please state your name and business address.

2 A. My name is Brian P. Clewes. My business address is TransAlta Centralia Operations,
3 South Gold Plaza, 1126 S. Gold Street, Suite 207, Centralia, WA 98531-3714.

4 **Background and Qualifications**

5 Q. For whom and in what capacity do you work?

6 A. I work for TransAlta, the parent corporation of TECWA, as the Senior Vice President
7 of the Centralia Integration Project. I am responsible for making sure the operational plan
8 for the Centralia power plant and mine are in place. These duties include, for example,
9 making sure our information systems are fully integrated; developing a marketing plan for
10 selling our output; and, finalizing legal and regulatory matters. I work with a transition team
11 of twelve senior managers.

12 Q. Briefly describe your educational and professional background?

13 A. I have been with TransAlta for 14 years. Prior to my current position, which I began
14 in March of 1999, I worked as a Senior Vice President of Human Resources. In fact I have
15 worked in the human resources field for approximately 20 years. Before that I worked as a
16 facilities engineer for about five years. I received my degree in mechanical engineering from
17 the University of Coventry in Great Britain in 1976.

18 Q. Have you submitted testimony to the Commission before?

19 A. No I have not.

20 **Purpose of Testimony**

21 Q. Could you summarize the purpose of your testimony?

22 A. The purpose of my testimony is to provide background information on TransAlta's

1 safety record, and particularly to explain the Canadian Electrical Association safety reports
2 attached as Exhibit 801 (BPC-1). I also offer explanation on TransAlta's background
3 regarding workforce stability.

4 **TransAlta's Safety Record**

5 Q. Can you explain Exhibit No. 801?

6 A. Exhibit No. 801 contains nine (9) pages of safety comparison charts and information
7 prepared by the Canadian Electrical Association, on how all the large Canadian electrical
8 utilities measure up on workplace safety, as calculated by the number, frequency and severity
9 of on the job injuries for employees.

10 Q. What is the Canadian Electrical Association?

11 A. The Canadian Electrical Association (CEA) is a private, non-profit, non-partisan
12 trade association composed of all the major electrical utilities in Canada. Among other
13 things, it conducts research, coordinates lobbying efforts and acts on behalf of the sponsoring
14 member utilities.

15 Q. Did the CEA prepare this report for these proceedings?

16 A. No, the CEA prepares a number of reports on industry standards and comparisons on
17 an annual basis. Exhibit No. 801 consists of the CEA safety comparisons dating back to
18 1990. This information is managed, prepared, authenticated, and published by the CEA. All
19 of the Canadian utilities use the CEA reviews to determine how they are performing relative
20 to each other. The safety reports are, for obvious reasons, one of the more high profile
21 reports published by the CEA.

22 Q. Who determines the criteria used?

1 A. The top row lists criteria such as Lost Time Injuries, Days Lost, Disabling Injury
2 Rate, Severity Rate, All Injury Rate. The Quantified Canadian Safety Association, the
3 Canadian Government's equivalent to the U.S. federal agency OSHA, developed these
4 criteria.

5 Q. Are these universal criteria?

6 A. Yes, these criteria are used in assessing safety and injury statistics across Canadian
7 industry, not just for utilities.

8 Q. Can you explain briefly, what the data illustrates about TransAlta's record on
9 workplace injuries?

10 A. TransAlta's electrical utilities consistently rank among the safest in Canada. From
11 1990 through 1994, then again in 1998, TransAlta ranked number one in safety. This was
12 based on the combined index that factors in the number, frequency and severity of on the job
13 injuries. At no time was TransAlta ever ranked below number three.

14 Q. Can you elaborate on the Disabling Injury/Illness Frequency Rate and Severity
15 Rate?

16 A. These figures distinguish the number of disabling injuries (ones that resulted in lost
17 work days) from non-disabling injuries and illnesses. The column labeled "Medical Aid
18 Injuries" reflects injuries that did not result in lost work time. The frequency and severity
19 columns are an index calculated to reflect the number of injuries relative to the total number
20 of employee hours.

21 Q. Why did the format change in 1996?

22 A. In 1996, the CEA revised the format of their reports. This reflected a slightly altered

1 approach in the categories CEA used to sort employers. Starting that year, CEA divided
2 employers into three groups: those with more than 10,000 employees, those between 500 and
3 10,000, and those with fewer than 500 employees. TransAlta falls into Group II, between
4 500 and 10,000 employees. Also, exhibit 801 contains the summary data for the “All
5 Injury/Illness Frequency Rate” for years 1996 through 1998. Note, for years 1990-1995, the
6 chart illustrates the components leading up to the “All Injury/Illness Frequency Rate” in the
7 far right hand column.

8 **Operational Stability**

9 Q. What is TransAlta’s philosophy regarding employee relations?

10 A. TransAlta fully respects employee choice regarding union representation. All but one
11 of TransAlta’s electrical utilities are unionized in Canada. We have enjoyed positive, open
12 relationships with the various unions with whom we have contractual relationships, including
13 IBEW, the Canadian Auto Workers (CAW) and TransAlta Employees Association (TAEA).
14 Our approach has emphasized mutual respect, union involvement, and open communication.

15

16 Q. Has TransAlta enjoyed stable relations with its workforce?

17 A. Yes. TransAlta’s relationship with IBEW and TAEA have been strike free for over
18 fifty years. I attribute this in part to TransAlta’s philosophy as described above.

19 Q. Describe exhibit No. 802.

20 A. This summary of TransAlta’s approach to employee relations is part of the
21 Company’s materials we send out when we are making a bid in order to provide relevant
22 background. It was not prepared for this hearing.

1 Q. Does this conclude your direct testimony?

2 A. Yes.