Storm Warning  Merger Madness in Utility Industry Poses Threat to Service Reliability

**BY ERIC WOLFE**

Shortly after making landfall along the Gulf Coast of Florida last October, Wilma was downgraded to a Category 2 hurricane with top winds around 100 mph. Nevertheless, power outages were unprecedented. Over 3 million Florida Power and Light customers lost power, including 98% of Miami-Dade and Broward counties. Ten thousand utility poles that were supposed to withstand winds of 119 mph crumpled, 240 substations were knocked out, and Florida regulators launched an investigation to find out why.

But you don’t have to be Sherlock Holmes to figure this one out. Since 1991, Florida Power and Light has cut operating and maintenance costs per customer by over 35%. Between 1995 and 2002 the Florida Power & Light workforce was slashed from 14,500 to 9,800. Between 2002 and 2004 the utility decreased per-customer tree trimming costs by 5%, accompanied by a sharp increase in tree-related outages.

State regulators say that it would take the utility 60 years, at its current pace, to inspect all of its poles.

You might think that Florida Power & Light, chastened by Wilma and under investigation, would embark on a crash program to rehabilitate its infrastructure. The utility has the cash—its stock price has performed almost 20% better than the average electric company over the past five years. But Florida Power & Light has found a better use for its money. Last month, the utility announced that its holding company, FPL Group, will purchase Constellation Energy Group—familiar to Californians as one of the out-of-state energy pirates forced to settle with the state’s attorney general for gaming California’s electricity market in 2000-2001.

The FPL-Constellation marriage was made possible by the repeal last August of the Public Utility Holding Company Act. The Jeffreys-Martin Transmission project will increase power capacity while protecting delicate wildlife. Feature story begins on page 8.

**The last time there was no PUHCA we had a Great Depression**

Lynn Hargis, PUHCA for Dummies

The Jefferson-Martin Transmission project will increase power capacity while protecting delicate wildlife. Feature story begins on page 8.

A World Without PUHCA

For generations, Americans have received electric service from utility companies close to home. The mission of these companies has been to provide everyone with safe, reliable service at the cheapest possible price. State regulators, answerable to the public’s elected representatives, have provided the oversight needed to make sure that utility companies do their job.

But imagine a different approach to electric service: Your utility is no longer located in your home state, it’s headquartered in Texas—or Tokyo. Your utility’s finances are no longer made secure by a guaranteed rate of return on investment, but are controlled instead by global oil companies or venture capitalists. When your rates go up or your service takes a dive, your state legislator calls up the head of the utility—but no one’s answering the phone in Texas or Tokyo.

Welcome to a world without PUHCA.

“It’s a world we’ve seen before, according to Lynn Hargis, a lawyer who spent 10 years at the Federal Energy Regulatory Commission and another 17 years helping companies comply with PUHCA.

“The last time there was no PUHCA we had a Great Depression,” Hargis wrote in her 2003 monograph PUHCA for Dummies. “PUHCA was enacted because huge holding companies were using secure utility revenues to finance and guarantee other, riskier business ventures around the world.”

In the seven years following the great stock market crash of 1929, 53 utility holding companies went bankrupt and 23 others defaulted on interest payments.

continued on page 4
Leadership in negotiations

This fall’s bargaining with PG&E for wages in 2006-2007 was an important achievement. We negotiated wage increases that exceed what similar utilities have been offering. We insulated ourselves against medical takeaways by extending the current agreement an extra year—through 2008. We secured increases in LTD benefits. And, in related negotiations, we obtained an agreement from PG&E to pass on its Medicare Part D federal rebate directly to retirees in the form of lower health care premiums.

We did not get everything we hoped for. Retirees deserve a cost-of-living increase in their pension and greater assistance with their medical costs, a subject I’ve discussed many times before. I plan to keep on raising this issue because it is important to our retirees, to our future retirees, and to what we stand for as a union.

But it’s also important to acknowledge what we have accomplished, and to commend those who made it possible. Think about what it takes to move this much money from company coffers into employees’ pockets.

First, it takes an involved membership—members who create proposals, who suggest arguments to be used at the bargaining table—the tactical considerations that are needed to make a bargaining strategy succeed. He understands that bargaining, in the end, comes down to people.

By personal example, Tom always sets a professional tone for bargaining. His expertise and no-nonsense manner earn the respect of management, and set an example for our own committee members, whether it’s at PG&E or at negotiations currently under his direction at the City of Santa Clara, the City of Healdsburg, and Truckee-Donner Public Utility District. His method at the bargaining table comes from long experience—he negotiated his first labor agreement for grape workers in the Coachella Valley in 1974, and has led or assisted countless negotiations during his 25 years at Local 1245.

At the end of the day Tom understands that Local 1245 is a union of the members, and during the PG&E negotiations he knew the exact moment to stand aside and let the members make the final push. Our committee members rose to the challenge. They spoke up with utter conviction and searing honesty, and secured the agreements that were recently ratified overwhelmingly by the membership.

Tom Dalzell is the last person who would try to take credit for these negotiations, but he is the person who deserves it the most.

Electric, not gas

Ed Vanderhorst was incorrectly identified as a Gas Crew Foreman on Page 4 of the December 2005 Utility Reporter. Brother Vanderhorst is an Electric Crew Foreman at PG&E. Our apologies!

Journeyman wage bump

Local 1245 has negotiated a 1% wage increase for all bargaining unit members working in journey-level classifications at Pacific Gas & Electric.

The wage increase, which will apply to approximately 4,000 members, takes effect Jan. 1, 2006. Approximately 1,000 apprentices now in the system will also benefit from this increase when they reach journeyman status.

The timing of the increase assures that the pension of all those working in journeyman classifications who retire in 2006 will be based on a wage that includes this increase.

“We are pleased that PG&E has taken this additional step to recognize the essential contribution that journeymen make to this company,” said Business Manager Perry Zimmerman.

Local 1245 sought comparable adjustments for Gas Serviceman and lead Clerical positions, but the company would not agree to those increases.

“We were disappointed that the company did not extend these increases to a wider group of employees to encourage retention,” said Zimmerman. “But it is not our practice to turn away opportunities to put more money in the pockets of our members. This agreement is another step in the direction of getting our members the compensation they deserve.”

New location for Fresno Unit

Unit 1111, Fresno, has a new meeting location effective January 2006. The new meeting location is: AMF Sierra Lanes, 6450 N Blackstone, Fresno, CA. The meeting time remains 5:00 PM. Meetings continue to be on the first Tuesday of the month.

Mike Grill, Business Rep.

PG&E Physical unit ratifies agreement

Members of the Physical bargaining unit at PG&E overwhelmingly ratified the new wage agreement for 2006-2008, the final count of ballots showed. Balloting had been extended to Jan. 3 to give members in General Construction an opportunity to vote. GC members were accidentally excluded in the original mailing of the ballots. Final results for the Physical unit were 3,137 voting yes; 1,161 voting no, and 18 ballots unable to be verified. The Clerical vote, announced Dec. 1, was 952-80 for approval.
Balloting fairness questioned

To the Editor:

As a spouse of a Local 1245 PG&E employee, I have consistently made it a habit of reading your monthly newspaper, cover to cover. And in so doing, it has allowed me insight and appreciation for the men and women in the utility profession, as well as the ever-changing issues the union deals with in order to give not just the worker, but their families peace of mind.

However, your December 2005 issue has given me great pause in regards to the front page article entitled “Voting extended on PG&E pact.”

In said article, it relayed that the Title 300 Classifications had not received their ballots, thereby extending the voting time limit, yet continued on to reveal final voting statistics on other classifications.

How do you justify keeping this issue in a level playing field without swaying the outcome when you report as such? Don’t Title 300 workers have the right to be of equal voice before and after the polls are closed? And mind you, I am not saying they can’t think for themselves. However, this country has been swayed in the past in voting for its elected officials when the news media reported on the East Coast results before the West Coast polls shut down. So why then would you remove yourselves from the responsibility of protecting the outcome in all fairness to all employees that you so proudly defend?

Perhaps I have misunderstood your intentions as to it not being an attempt to change the course of history and/or a zealous reporter wanting to rush the intentions as to it not being an attempt to correct the outcome in all fairness to all employees from the responsibility of protecting the outcome.

To the Editor:

I retired from the PG&E gas supply business unit in 1993 after 30 years of service. The company paid all of my health care until the year 2000. Since then health care has gone up to $441.37 a month as of the year 2005.

Since PG&E retirement has no cost-of-living provision we are experiencing a dramatic cut in our take-home pay, while the cost of living keeps going up. We have less to live on every year. I feel the company needs to do something to help the retirees curb our health costs.

Charles Curtis
Yuba City, CA

How retirees can help themselves

Editor’s note: The following e-mail was received from retired member Gordon Borges.

To the Editor:

“God helps those that help themselves,” is what my mother told me 60 years ago. I believe this to be true with PG&E retirees as they encounter their current financial crisis. Eroding pension benefit levels and escalating medical costs, it is as if when you are gone that you are forgotten.

My only question when it comes to medical benefits is: why not the same for all members active as well as retirees? Wouldn’t that be easier than what is going on now?

A cost of living increase in our pension every year would benefit all of us, as it would not make a difference in the amount retired. However, now I am retired and on a fixed income. My pension and Social Security are being eaten up by the very same medical benefits that covered me for all those years with no cost to me and my family. As a retiree I don’t vote on contracts and have no say, or limited say. It is as if when you are gone that you are forgotten.

Things looked good until...

Editor’s note: The following e-mail was received from retired member Fred Eglip.

To the Editor:

I was able to retire at age 56 (I’ll be 60 next year). I chose to retire after 33 years of service for personal reasons and stress of commuting long distances to work. I looked at my financial situation at the time and discussed my future investments with a broker to see if my retirement and monthly annuity would be enough for me and my wife to live at the same level as when I was working.

Things looked good until I discovered that I was going to have to pay a big premium for our medical. When I retired I really wasn’t paying much monthly. Then the roof fell in as each year the premium grew larger and larger. Thank God I had a Premium Offset Account negotiated by the union with PG&E, but next year it’s gone and I will have to either choose a HMO or pay the full premium.

I wasn’t aware of these things, never really informed by the company that my retirement pay would be effected by increases in medical cost. Also, dental is killing me. I knew of the dental plan the PSEA had, but not aware of the low coverage.

I will be seeing my cousin this Christmas who happens to be an active Lineman. I will talk to him about what he can expect as time goes on and he should work hard with other employees to make sure that what we are going through doesn’t happen to them to this extent.

Fred Eglip
Lincoln, CA

Remember those who retired in management positions

Editor’s note: The following e-mail was received from retired member Terry Pollard.

To the Editor:

After reading this months Utility Reporter and the letters to the Editor in regards to retirees concerns over the lack of pension increases and the increases in medical coverage payments I felt I had to throw my two cents into the arena.

I retired from PG&E with 37 years of service, with the last 17 years being in a management position. After retirement I went back to work as a Hiring Hall employee and currently I’m working with a signatory contractor performing work for PG&E. Needless to say I have had many years as an IBEW 1245 member in good standing and continue to pay my dues on a regular basis and have the same concerns as all IBEW members.

Although I retired as a management employee, I have many vested years in IBEW and hope that if this goes to negotiations that people like myself are also included in any and all agreements. I realize there are legal aspects to bargaining unit verses management retirees but we must all be given the due respect as some of your early letters have alluded to.

Thanks for taking this on for our membership and don’t forget us old guys that continue to pay union dues on a regular basis.

Terry Pollard
Cool, California
PUHCA continued from page 1

Holding companies didn't collapse because electricity was no longer profitable. They collapsed, Hargis says, because they had looted their utility subsidiaries to finance non-utility investments. And their collapse deepened and prolonged the Great Depression.

The Public Utility Holding Company Act of 1935 was championed by President Franklin D. Roosevelt to prevent a resurrection of these enormous utility conglomerates and the havoc they wrought on the US economy. Hargis explains how this historic law worked:

- PUHCA made it possible for states to regulate utility holding companies by limiting the types of business they could engage in, and also by limiting their geographic size.
- PUHCA, by controlling holding company dividends, loans and guarantees based on the utility subsidiary, made it harder for holding companies to loot their utility subsidiaries.
- PUHCA regulated self-dealing among the holding companies' various affiliates.
- PUHCA imposed controls over utility acquisitions of other utilities or other businesses.
- And PUHCA worked. For seven decades, electric service was assured by utilities whose profits were closely regulated, whose shareholders were protected, and whose obligation to serve was written into law. No speculators need apply.

**Siphoning Money**

Not everyone liked PUHCA. Gas and electric service generate a lot of money, and PUHCA severely limited the ability of private investors to get their hands on it. Federal energy bills in 1978 and 1992 modified PUHCA, creating opportunities for non-utility investments in the electric industry. The stage was set for Enron to champion “competitive markets” in the 1990s and for investors like billionaire Warren Buffett to push for outright repeal of PUHCA in recent years.

Utility holding companies haven't waited for PUHCA's repeal to start testing their ability to siphon money out of their regulated subsidiaries.

State regulators in Kansas found that Westar Energy of Topeka had quietly shifted more than $1.9 billion of debt onto the utility side of the business through intercompany loans and other means, according to a Wall Street Journal report in December 2002. John Wine, then chairman of the Kansas Corporation Commission, told the Journal that utility holding companies “can go pretty far down the road of commingling utility assets before it gets detected,” and expressed concern about the impact on service and rates.

In 2001, Duke Energy transferred as much as $124 million in expenses from its unregulated divisions to the books of Duke's utilities. E-mail messages showed a protracted campaign by Duke accountants to shift expenses onto the utilities, according to the audit. Regulators might never have noticed if they hadn't received an inside tip.

Michael Valocchi, a utility consultant at IBM Consulting Services, told the Journal in 2002 that his utility clients were under orders to cut capital spending by as much as 30% in 2003, in some cases, to free up funds for use by the holding company.

But this disturbing trend received little media attention and the campaign to repeal PUHCA continued, achieving success on Aug. 8, 2005 when President Bush signed the Energy Policy Act.

**A Faster Crowd**

After PUHCA officially exits the stage in February 2006, what will become of America's utility companies? One thing we know for sure: there will be a lot fewer of them. Utility mergers and acquisitions were already gaining traction before President Bush signed the energy bill last August.

In late 2004, Chicago-based Exelon merged with Public Service Enterprise Group—the parent of New Jersey's largest utility—in a $13 billion deal. In May of 2005, Duke Energy bought Cinergy, combining the parent companies of utilities ranging from the Carolinas to Kentucky, Indiana and Ohio. Also in May, Warren Buffett announced he would buy PacifiCorp, with utility operations in Oregon, Washington, Wyoming, California, Utah and Idaho.

FPL Group's planned purchase of Constellation Energy sheds light on the character of such mergers.

FPL Group, a holding company, gets most of its revenue from its regulated subsidiary, Florida Power and Light. But in recent years FPL Group had begun to dabble in unregulated power generation and wholesale telecommunications services, and was clearly yearning to run with a faster crowd.

Constellation Energy is that faster crowd. A major player in the wholesale power market, Constellation gets less than a quarter of its revenue from its regulated subsidiary, Baltimore Gas and Electric. FPL Group's acquisition of Constellation will make the combined company the nation's largest marketer of wholesale electric power.

**Gold Rush**

Utility corporations won't be the only ones to notice the new profit opportunities in the utility industry following the repeal of PUHCA. Oil companies, for example, are flush in the wake of last fall's hurricanes. Exxon Mobil currently has $34 billion in spare cash.

"Is an Exxon or Shell a potential buyer? I say yes," says Jim Hunter, Utility Director for the International Brotherhood of Electrical Workers in Washington DC. It's understandable, he says, that a company in possession of oil and gas resources would be interested in acquiring companies that use those resources. "I think utilities are going to be targets.

With the utilities’ enormous customer base up for grabs, acquiring utilities could turn into a corporate gold rush. And big oil won't be the only industry saddling up its pony for the ride.

"There is something about electric and natural gas utilities, with their captive, rate-paying consumers, that is irresistible to venture capitalists," says Hargis, the former FERC lawyer. "They want to use those guaranteed revenues to invest in risky, potentially high-profit, non-utility schemes. They want to keep the profits, and have the utility's customers bear the risks and assume the debt.

Utility stocks, for decades a safe repository for retirees' savings, could morph into short-term investment opportunities. Tyson Slocum, who works on energy policy at Public Citizen in Washington DC, says private equity funds could seize the opportunity to "Grab a utility, squeeze money out of it and toss it aside for the next buyer."

The gold rush will be global. As Stuart Caplan noted last October in Infrastructure Journal: "Overseas investors interested in acquiring critical mass in the US utility sector will no longer be stymied by PUHCA's...requirements."

**What Is A Utility For?**

In announcing the merger of their holding companies in late 2004, Exelon and PSEG executives sounded almost giddy over the possibilities for their new, combined company.

They talked about how they would “create efficiencies.” They enthused about “operational synergies” and “improved asset optimization” and “cash flow growth.” They rushed over the opportunity to improve “financial flexibility” and positioning the company “to meet the changing landscape of the energy industry into the future.”

But all of this post-PUHCA sighing and "positioning" begs a central question: What is a utility for?

Most people believe a utility's purpose is to keep their homes lit and heated, to power their businesses, to do whatever planning and maintenance is needed to keep service reliable, and to respond effectively and immediately whenever that service is interrupted.

Do "operational synergies" and "financial flexibility" serve to further that purpose?

The Exelon-PSEG executives predicted in December 2004 that "synergies" would start out at $400 million and grow to $500 million annually by the second year. Synergy, if you believe Webster, means "to work together" such that the total effect is greater than the sum of the parts.

The Exelon-PSEG executives, however, seem to think that synergy is just another word for saving money. About 85% of the savings, according to their projections, will be "cost related." These savings include "the elimination of duplicative activities" and "improving operating efficiencies" and "improved sourcing."

Still not clear? The executives go on to explain that “a portion of any job losses will be offset by anticipated retirements and normal attrition.” Or to be still clearer: "Reductions due to the merger are estimated at approximately 5% of the consolidated workforce," which boils down to a loss of 1400 jobs.

Utility workforces, apparently, are no longer being downsized, they are being "synergized.” But changing the word for slashing the workforce will not alter the reality that utilities nationwide are already short of the people they need to maintain service reliability at the level Americans have historically enjoyed.

**Reliability at Risk**

The utility workforce overall was reduced by 25-30% during the 1990s, when utilities believed that downsizing was the way to prepare for retail electric competition. Now that shrunken workforce is quickly aging. By 2010, 50% of today's experienced utility workers are likely to retire, according to numerous public utility reports.

Some top executives may regard this mass attrition as an opportunity to save money for the next merger or takeover. But some people question how utilities can continue to function if there is continued attrition of the workforce.

"It is possible to end up with a scenario where some utilities are operating like utilities in third-world countries," says Steven Kussmann, executive director of the Utility Business Education Coalition in Reston, Va., quoted in a story in the November-December 2005 newsletter of the American Public Power Association. "They won't have a sufficient number of qualified people to operate them. The result will be dangerous working conditions and unreliable power."

Five Florida Power & Light linemen interviewed by the Miami Herald in November said the utility had thinned their ranks so drastically that the crews now spend most of their time doing "revenue jobs," like hooking up new
customers rather than performing maintenance on existing infrastructure, which may explain why Hurricane Wilma encountered so many rotten power poles.

Inadequate tree trimming around power lines has been implicated in costly wildfires, and worse. When an untrimmed tree branch in Ohio contacted a sagging transmission line in August of 2003, the resulting explosion knocked out power to 200 million people in eight US states and two Canadian provinces, costing $6 billion. A blue ribbon panel convened by Ohio Gov. Rod Blagojevich found that inadequate tree trimming, obsolete equipment and inadequate training contributed to the severity of the outage.

At a time when utilities’ ought to be plowing resources into trimming trees away from power lines, replacing aging gas lines and rotten power poles, and hiring and training the people needed to do this work, their parent holding companies are having trouble staying focused on the essential mission. They’re looking for "synergies" when they ought to be looking for linemen.

If it’s hard to keep utilities focused on reliability issues as PUHCA fades into history, it will be even harder if utilities fall under the ownership of oilmen or financiers, according to Tom Schneider, an independent energy consultant and former director at the Electric Power Research Institute (EPRI).

"Traditionally you get to be a utility CEO by learning the business," says Schneider. But if these homegrown CEOs are replaced by new management brought in from outside the industry, there will be a “total loss of any technical understanding or judgment” at the top of the company.

"They’re just not going to understand the industry. That translates to (not understanding) workforce requirements," Schneider says. As utilities are absorbed into ever-larger holding companies, there will be a “dilution of management attention” to service issues.

**Subhead Who’s In Charge?**

The Energy Policy Act had the virtue of converting voluntary reliability standards into mandatory standards, and giving enforcement powers to the Federal Energy Regulatory Commission. Given its past commitment to “the market,” though, it’s hard to be optimistic that FERC will perform this role effectively.

As Hargis, the former FERC attorney, noted in 2003, the agency has shown no stomach for interfering with holding companies that want to use their utility subsidiaries as cash cows: “FERC has, under its deregulation experiment, uniformly granted blanket approvals under the Federal Power Act for all stock issuances and loan guarantees based on utility assets for all electricity sellers that sell at market-based rates.”

Residents of California remember how reluctant FERC was to intervene in the energy crisis of 2000-2001.

"California trusted that the Federal Energy Regulatory Commission would step in and regulate if necessary, which was a huge mistake — the FERC has never shown any ability to regulate on a state-by-state basis, much less the political will to do so," former California Public Utilities Commission President Loretta Lynch said in an interview last year with UC Berkeley News.

The state hemorrhaged $40-70 billion before FERC finally stepped in and imposed price caps on wholesale power.

Even if FERC had the will and resources to act as enforcer, mandatory reliability standards may not be a powerful enough tool to get the job done.

FERC could levy fines on individual utilities for having too many outages, but will the prospect of such fines be enough to persuade utilities to make the investments needed to keep the system reliable?

The staff of the CPUC knows where to find executives of Pacific Gas & Electric, headquartered just a few blocks away in downtown San Francisco. “But what if the headquarters is in Texas, or worse, Tokyo?” asks Schneider. “Where are the big financial institutions—Tokyo, London, Hong Kong.”

Some state regulators are growing concerned. The California Public Utilities Commission—one of four state commissions examining the impact of PUHCA—started a rulemaking in November to reexamine the relationship of the state’s major utilities with their holding company parents and their affiliates.

"With the repeal of PUHCA the commission’s responsibility to protect the ratepayers becomes even more paramount," the CPUC said.

One model that state commissions could consider is the Wisconsin Public Utility Holding Company Act, or WUHCA. Enacted in 1985, WUHCA limited the amount a Wisconsin holding company may invest in non-utility ventures, protecting utility customers from risky investments that go bad. WUHCA also requires that the state’s Public Service Commission approve any sale of more than 10% of the holding company.

"WUHCA trumps PUHCA," says Dave Poklinski, business manager of IBEW Local 2304, which represents employees at Madison Gas & Electric and has actively battled against utility deregulation. He’s confident that Wisconsin’s law will prevent Exxon Mobil or some investor group from taking over that state’s utilities.

Unions like IBEW Local 1245 can play a role in keeping the focus on service reliability in the states where our members work. We can explain to our employers, to regulators, to legislators, and to the public at large what it takes to keep the lights on today, and the investments in manpower that is needed to make sure the lights are on 10 years from now.

But the storm gathering on the horizon is of a size and character we have not faced before. The Enron fiasco was bad enough, but Enron was limited by PUHCA to owning just a single regulated utility. Now PUHCA is gone. Just as Enron’s bright young hot shots felt compelled to exploit every conceivable chink in the regulatory armor, an army of corporate takeover artists is now circling the utility industry with one thought in mind.

**Sources**

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You can be pretty sure it’s not "service reliability."
As I reported last month the IBEW outside branch and the labor construction trades are in very interesting times. Everyone is fighting for work and jurisdiction. Some people like to have things handed to them or try not to over exert themselves too much. They would like to harm or hurt others and signatory contractors instead of going out and hitting the pavement and organizing—bring new members into the organization.

With your help, Brothers and Sisters, we are over coming their tactics. We are the best of the best. Let’s go out there and work smart and work safely so that we can go home to our families.

David Crawford, Senior Outside Line Business Representative

THE NUMBERS

Since last month’s report, we’ve had 27 calls for Journeyman Lineman; 7 calls for Equipment Specialist; 33 calls for Groundman; one call for Cable Splicers; 8 calls for U.G. Techs; and 7 calls for Apprentices, for a total of 82 calls. The books, as of December 14:

- Journey Lineman, Book 1: 10
- Journey Lineman, Book 2: 2
- Lineman, Book 3: 0
- Lineman, Book 4: 30
- Equipment Specialist, Book 1: 0
- Equipment Specialist, Book 2: 5
- Equipment Specialist, Book 3: 0
- Groundman, Book 1: 10
- Groundman, Book 2: 5
- Groundman, Book 3: 24
- Groundman, Book 4: 87
- Cable Splicer, Book 1: 0
- Cable Splicer, Book 2: 0
- Cable Splicer, Book 3: 0

Currently we have 312 apprentices: 5 are traveling, 47 are working out of Local 1245; 241 are working out of Local 47; 5 are working out of Local 396 and 16 are laid off due to various reasons. 51 apprentices have passed their test and are Journeymen. We have indentured 132 apprentices this year.

OTHER NEWS

First Aid & CPR is the third Saturday of every month in Sacramento.
We held two Outside Line Pin Dinners: one in Sacramento on Nov. 12 and one in Bakersfield on Nov. 19. Thank you to everyone that attended.

Sierra Pacific is putting out small projects. We have addendum to our Outside Agreement for a project. The Tracy to Silver Lake 120 KV, Phase 1 Transmission Line Project was awarded to Par. We have had some open calls in Reno, NV for Par. It’s good to have plentiful work this time of the year in Reno.

PG&E is putting out small packages. Livermore Transmission U.G. Project is underway; also the 230 KV Underground Project in San Francisco. There is also talk of alliance with a contractor.

SMUD is putting out small projects. Starting some windmill work.

San Francisco NECA: we are negotiating on the Light Rail Agreement, which is coming along very well.

Teledata: We are negotiating with NECA & Henkels & McCoy on the Teledata Agreement. However, with NECA Teledata we are still open at this time. We have a new agreement called Fiber to Home with Henkels & McCoy FTTP and we are getting closer to a table settlement with Henkels & McCoy on the Teledata Agreement.

Safety: The next Joint Safety meeting is Feb. 8, 2006. LineCo has announced, effective the first of January 2006, LineCo insurance will go up to $4.75, not $5.00. We will get back $.25 hr and that will apply to NEAP raising your contribution up $.25 hr.

Total crews working on:
- Outside Agreement: 69
- U.G. Agreement: 20 crews
- Pole and Test Agreement: 20 crews
- Teledata Agreement: 10 crews
- Total crews working: 119

Billy Kibbe (right) is presented with his 40-year award by Senior Business Rep. Dave Crawford at the Outside Line Service Awards in Bakersfield on Nov. 19.

James Buchanan (right) is presented with his 35-year award by Senior Business Rep. Dave Crawford at the Outside Line Service Awards in Bakersfield on Nov. 19.

Alan Cardoza (left), 25 years, and Frank Lazard (right) 40 years, are presented with their awards by Senior Business Rep. Dave Crawford at the Outside Line Service Awards in Sacramento on Nov. 12.
Election Notice: Delegates to IBEW International Convention

The election process will begin in March of this year for Local 1245 Delegates to the International Convention of the IBEW. The convention will be held Sept. 11-15, 2006 in Cleveland, OH. Balloting for Local 1245 Delegates to the convention will be in June.

Complete information on nominations, elections, and qualifications are found in the Local Union Bylaws and the International Union Constitution. If you do not have copies of these documents, they may be obtained by writing to IBEW Local 1245, PO Box 2547, Vacaville, CA 95696.

To qualify as a candidate for Delegate to the International Convention, a member must have at least two years’ continuous good standing in the Local Union immediately prior to March 1, 2006, and must have tendered his or her dues for January 2006.

Nominations

Nomination of Delegates to the International Convention shall be made under “New Business” at the first meeting of the units in March 2006. (L.U. Bylaws Article III, Section 8c).

In order to be a candidate for Delegate to the International Convention, a member must be present at the Unit meeting where he or she is nominated, or notify the Local Union Recording Secretary, Chris Habecker, in writing on or before March 1, 2006, that he or she will run for Delegate if nominated. (IBEW Constitution Article XVI, Section 10).

Further information

In addition to the Local 1245 Bylaws and the IBEW Constitution, the conduct of labor union elections is also covered by Title IV of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). The US Department of Labor publishes two relevant booklets: “Rights and Responsibilities Under the LMRDA and CSRA” and “Election Union Officers.” These booklets are available by writing the US Department of Labor, Office of Elections, 200 Constitution Avenue NW, Room No. North 5619, Washington, DC 20210.

New classifications created at Sacramento Regional Transit

New classifications with enhanced wages have been created in negotiations with Sacramento Regional Transit.

A Memorandum of Understanding effective Nov. 16, 2005, created the classifications of Lineworker I, Lineworker II and Lineworker III, according to Business Rep. Darryl Norris. “SRT had concluded that they could not retain or recruit people in the Lineworker classification,” said Norris. “A salary survey showed that an increase of between 10% and 15% was needed to stay competitive with other employers.”

The agreement established the three Lineworker positions at different skill levels and wage rates, with Lineworker I being a beginning level job.

The Lineworker classification is similar to an Electrician, but also must have knowledge of traction power substations, operations signal systems, traffic warning devices, and diagnostic analysis of these systems, Norris said.

The old hourly rate for Lineworker was $26.36. The new hourly wage rates are:
- Lineworker I, first six months: $23.42
- Lineworker I, after six months: $24.65
- Lineworker II: $29.00
- Lineworker III: $33.35

Negotiating the agreement, along with Norris, were Connie Bibbs and Brian McCord.

Ex-staffer busted

A former Local 1245 employee was booked on Dec. 9 into Solano County jail on charges that she embezzled more than $50,000 from the union.

Joy Wagoner, also known as Joy Mohr, was fired by Local 1245 on Nov. 8, shortly after the union found irregular financial practices in the preparation of expense checks for committee members. A fraud auditor subsequently hired by the union has identified just over $50,000 in missing funds.

Local 1245 expects to recover all of the missing funds through a variety of measures, including standard insurance protection against dishonest employees.

No member of the union or its staff, other than Wagoner, was charged with any wrong-doing.

Holiday Lights

Each year, Lassen Municipal Utility District and Frontier assist the City of Susanville in decorating the streets for the holiday season. Working in the aerial lifts last Nov. 30 are, from left, Wayne Perry, 26-year member at Frontier who retired in November, and Jeff “Craig” Lima, 28-year member at Lassen Municipal Utility District.

EPA-PROVCO pact boosts wages

Line Clearance Tree Trimmers at EPA-PROVCO on Dec. 28 ratified a new agreement with wage and pension improvements.

All classifications will receive 3.4% wage increases on Jan. 1, 2006 and Jan. 1, 2007, except VC Specialists, who will receive 4.4% each year.

In addition to the current 3% of gross pay that the company automatically contributes to the Money Purchase Pension Plan, employees can participate in the Quanta 401(k) with a 100% company contribution to the defined-contribution plans.

“The company will have the right to introduce Guardian PPO coverage with the same level of benefits as already defined in Exhibit A,” said Senior Business Rep. Ray Thomas. This will result in a savings for the company as well as a reduction in the employee family premium contribution from $60 to $50 a month.

Article 6 was amended to allow for medical coverage after 30 days for those employees retained when the company assumes a new area. Weekly pay will replace bi-monthly paydays.

Negotiating for the union, in addition to Thomas, were Angel Mondragon and Business Rep. Junior Ornelas.

Equity improvements at Mirant

Negotiations with Mirant produced significant wage equity improvements that were ratified by members on Dec. 30.

Control Operators and Journeyman maintenance employees, who comprise about three-quarters of the bargaining unit, will receive average wage adjustments of $2.65 an hour, about 9%, retroactive to Dec. 15.

The three-year agreement provides 3% wage increases in 2007 and 2008. A new Lead classification will receive $1.50 more than the rate of the employees being led. The company cancelled an incentive bonus program.

The agreement also provides improvements in vacation, holiday pay, and clarification of displacement language.

Medical premium co-payments will rise to 15% in the first year, 17% in the second year, and 20% in the third year.

Negotiating for the union were Rick Flores and Ric Huelster from Contra Costa Plant; Jason Todd from Potrero Plant; and Larry Jasmine, Kirk Davis and Kevin Bellflower from Pittsburg Plant, along with Business Rep. Hunter Stern.

MID vote

An agency shop election for the Utilities Services and Maintenance bargaining unit at Modesto Irrigation District passed easily in a Dec. 13 vote, with 72% voting in favor. The District and Local 1245 were scheduled to meet in January to discuss and negotiate appropriate agency shop language.
San Franciscans like their computers and the other amenities made possible by a modern electrical system. They also like the wildlife that flourishes in the San Francisco watershed that spreads south through the heart of the peninsula.

Members of Local 1245 were working hard during the fall to make sure they can have both. Peak demand for electricity on the northern peninsula is near the system’s capacity and growing. Because the area is surrounding by water on three sides, and local generating capacity is limited, new transmission capacity is key to assuring continued electric reliability. Pacific Gas & Electric’s new Jefferson-Martin 230-kv Transmission Line will increase the potential flow of power to the region by 400 megawatts, enough to power about 300,000 homes.

Working the project, approved by the California Public Utilities Commission in August 2004, have been a host of IBEW linemen, splicers and groundmen employed by union contractors, including ARV, Underground Construction, Tri-State, International Line Builders, Infrasource and Pirelli Cables (recently renamed Prysmian Cables). Heading up the project for PG&E is Black & Veatch, which will oversee construction of the 24 miles of underground and 3.5 miles of overhead transmission line that will connect Martin Substation in San Francisco with Jefferson Substation near Woodside.

That’s a lot of line to construct through an area highly valued for its vistas, wildlife, and hiking trails, not to mention paleontological and archeological resources. Just beneath the surface you may still find evidence of bison, horse, ground sloth and other species extinct for over 10,000 years, as well as artifacts from Native American cultures that previously inhabited the area. With the arrival of winter, migratory birds nest in the area, including bald eagles.

And watch your step: that might be a California Red-Legged Frog or a Bay Checkerspot Butterfly you’re about to squash underfoot.

Squash prevention has been a huge part of the project, as you might expect in environmentally-sensitive California. The project is utilizing 30 biologists and environmental specialists to monitor activities. Over 30 thousand feet of environ-
Wild things have had a troubled relationship with electric overhead lines through the years. This golden eagle was electrocuted west of Madera in the first part of the 20th century. As more lines are put underground, the threat to birds is reduced.

—Local 1245 archives

More than power flows through this underground system. Cable Splicer Jan Flipse holds up an incredibly thin strand of fiber, used for communications.

This monitor enables you to watch as the two strands of fiber are brought together in preparation for splicing. Minor adjustments are made automatically to make the fit a perfect one.

Working in the wildlife-rich San Francisco watershed are, from left: William Kessel, Lineman; Andrew Duncan, Groundman; Wade Sanchez, Groundman; and Jan Flipse, Cable Splicer.

Lineman William Kessel: “If protection were to fail, it could explode like a bomb.”

The conduit that Local 1245 members are burying beneath the ground on the San Francisco Peninsula carries information as well as power.

The 230kv line occupies three conduits, with a fourth as a spare. Two four-inch conduits are used for communications, one of which functions as a spare.

The conduit is laid in sections. It must be level to minimize stress on the cable when it is pulled through. Another potential danger to the cable is snagging while it is being pulled. To minimize this risk, the conduit is first cleared with a mandral and made smooth with a wire brush.

Down in the hole, a crew can perform the necessary splicing in about eight 10-hour days. Two work below, while two remain above—one to flag traffic and one to assist those working below.

“Those guys up there are very important for us,” says Jan Flipse, a Cable Splicer from Holland with specialized knowledge of the materials being used. “When we need something, they prepare it for us.”

The focus in the hole is on protecting the wire. Being underground, there is risk of water infiltration, so several layers of protection are utilized.

“If protection were to fail, it could explode like a bomb,” explains Lineman William Kessel. “That’s why everything is so critical down to the millimeter.”

Not the sort of job you want to leave to amateurs. Better to trust the expertise that comes with IBEW members working for union contractors.

Cable Splicer Jan Flipse tapes a joint.

Minimizing impact on human residents has also been a big priority. Crews have worked hard to keep roads open, keep the dust down, and keep out of the way of rush-hour traffic.

“The only complaint we get from residents is they were going to be so upset when we left because their streets had never been so clean,” says Black & Veatch Construction Manager Ralph Martinezmoles.

In the spring the contractor will resurface the roads and do the restoration work needed to make things like they were before for the deer, coyote, snakes, frogs, birds and people who make their homes here.

But with this difference: your power’s going to be more reliable even as the demand for electricity continues to grow.
Materials Leadperson Steve Pitts reports to a Dec. 15 caucus of union participants concerning Materials Distribution and Optimization.

Exhaustion occasionally gave way to hilarity as union members discussed a variety of issues at a union caucus that ran into the evening hours on Dec. 15. Putting in long hours away from home during the holiday season was a measure of how seriously these union members took their assignment.

Transformation reviewed

Over 40 IBEW Local 1245 members engaged in an intensive seven-week review of PG&E’s Transformation project in November and December. The IBEW members joined with members of Engineers and Scientists of California in evaluating proposals drafted over the past year by PG&E and offered constructive feedback to management on a wide range of issues.

PG&E engaged a consultant, Accenture, over a year ago to help it redesign work processes in pursuit of greater efficiency. Another consultant, Restructuring Associates Inc., joined the effort more recently and has facilitated participation by IBEW and ESC in reviewing the Transformation proposals.

Local 1245 has embraced the concept of using the expertise of its members to help the company make improvements, but has not yet endorsed any specific Transformation proposals. In mid-January the union will continue assessing PG&E’s Transformation project and formulate alternative to the Accenture models.

IBEW participants

**Initiative: Customer Experience**
LaTonya Broughton, Customer Service Rep., Oakland
Alicia Gordon, Customer Service Rep., Bakersfield
Shelly Scott, Customer Service Rep., Sacramento CC
Mark Kollman, Customer Service Rep., Stockton
Donna Ambeau, Sr. Customer Service Rep., East Oakland
Ron Jobe, Sr. Customer Service Rep., Roseville
Pete Knackstuck, Sr. Customer Service Rep., Sacramento CC
Greg Spoonhour, Service Rep., Stockton
Glenda Deyer, Gas Service Rep., Fresno
Vince Ziele, Troubleman, San Rafael
Sam Samaniego, Gas Service Rep., Bakersfield

**Initiative: Work & Resource Management - Early Release**
Berta Arias, Operating Clerk, Concord
Miguel Lopez, Service Operator, Oakland
Roman Gonzalez, Service Operator, Fresno
Michelle Panier, Maintenance Assistant, Tracy
Grace DeFlores, Maintenance Assistant, Rio Vista

**Initiative: Work & Resource Management - Core**
Fran Androkin-Baker, Sr. Operating Clerk I, Auburn
Mike Scafani, Gas Crew Foreman, Petaluma
Ed Vanderhorst, Electric Crew Foreman, Bakersfield
Brenda Fisher, Foreman’s Clerk, Concord
Ron Vessels, Subforeman A - Electric, G.O. - T300
Don Wamsley, Subforeman A - Electric, Morgan Hill

**Initiative: Electric Operations Optimization**
Don Parmenter, Troubleman, Woodland
Jerry Martinez, Station Electrician, Hayward
Dave Steves, System Operator, Oakland
Frank Felix, System Operator, Fulton
Jason Kirakofe, System Operator, Round Mountain

**Initiative: Strategic Sourcing**
Larry Gibson, Garage Subforeman, Santa Rosa
Lem Stilwell, Telecom Crew Lead, Santa Rosa
Tracy Munoz, Materials Leadperson, Hayward

**Initiative: Demand & Supply Planning**
Darla Weaver, Materials Handler, Fremont
Kelly Overen, Materials Leadperson, Concord

**Initiative: Materials Distribution Optimization**
Jan Cannon, Materials Leadperson, Fresno
Marco Diaz, Materials Leadperson, Fremont
Steve Mayfield, Materials Leadperson, Ukiah
Steve Pitts, Materials Leadperson, Marysville

**Initiative: Corporate Real Estate**
Terry Kingsley, Building Crew Leader, Sacramento
Vince Almacen, Building Crew Leader, G.O.
Gary Moschino, Building Technician, G.O.

**Initiative: Fleet**
Mark Wilson, Field Garage Mechanic A, Santa Rosa
Denis DelGrande, Elec Crew Foreman, Petaluma
Keith Hopp, Gas Crew Lead, Sacramento
John Kent, Troubleman, Napa

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The threat is real and may be growing

Dog Attack

A recent pit bull attack on a PG&E meter reader in Oakland is a sobering reminder of the dangers faced by utility workers who go door-to-door in the course of their duties.

The attack occurred Oct. 2 when the meter reader entered a fenced area after knocking and seeing no sign of animals. However, after reading the meter the employee saw a pit bull approaching. That dog was quickly joined by a second pit bull, which attacked the meter reader. The first dog then joined in the attack.

Passersby attempted to distract the dogs with food, but one of the dogs continued the attack. The meter reader finally was able to use a stick found in the yard to beat the attacking dog, and then escaped through a gate.

The statistics are clear: if you go door-to-door to make a living, you’re going to encounter a lot of dogs. According to dogbitelaw.com, dogs bite about 4.7 million Americans each year. Of these, 800,000 need medical attention—about 1,000 per day seek treatment in hospital emergency rooms. Most of the victims who receive medical attention are children, half of whom are bitten in the face.

Whether you’re an adult or a child, dog bite injuries can be severe. After being attacked by a mastiff, one PG&E Bay Area meter reader suffered a severed femoral artery. Even the police officers who arrived on the scene shortly after the attack started were unable to pull the dog off the meter reader and had to shoot it.

Attacks serious can inflict life-altering trauma on the victim. Psychological and emotional scars sometimes prevent the victim from returning to work, piling economic hardship on top of the other injuries.

More Aggressive Dogs

While the number of dogs rose by 2% during a 7-year period in the 1990s, the number of bites increased by 33%, according to dogbitelaw.com. This appears to reflect a growing preference among dog owners for aggressive breeds of dogs. Meter readers and other utility employees in the field must increase their vigilance accordingly.

The best place to start is to acknowledge that fear is a natural response in a confrontation with a threatening animal. But showing that fear to the dog is exactly the wrong response.

Dogs are hierarchical animals. If you cannot dominate the dog, the dog will be emboldened to try dominating you. With its teeth. Maintaining eye to eye contact with the dog is crucial.

If you are entering a dog’s territory, you want the dog to be submissive. But you don’t want to appear so aggressive that the dog becomes afraid. A “cornered dog” is a dangerous dog, and liable to attack. Bear in mind that the equipment worn by some utility workers could appear threatening to a dog.

Advance Information

How do you avoid having to decide what is dominant and what is too dominant? The best game plan is to acknowledge that fear is a natural response in a confrontation with a threatening animal. But showing that fear to the dog is exactly the wrong response.

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Does your boss make you sick?

A recent study found that workers whose employers treat them unfairly are 30% more likely to suffer from heart disease than other workers, according to a study conducted by the Finnish Institute of Occupational Health. The study tracked 6,400 male British workers over a period of 10 years and controlled for other risk factors, such as age, socioeconomic status, cholesterol levels, alcohol consumption, and physical activity. One New York labor lawyer commented that results in the United States could be even more dramatic because of the longer American workday.

Using candles safely

David Vipond

The warm glow of candlelight has a special appeal in wintertime. But candles are also responsible for fatal fires in the home. Here are some tips for safe use of candles:

- Have working fire alarms and fire escape routes for your home.
- Never leave a room or go to bed with a candle still burning. Most candle-generated fires begin in a bedroom.
- Keep burning candles at least 12 inches away from all objects.
- Don’t use candles in any window or doorway where the flame could be in contact with combustible fumes.
- Keep flammable liquids away from burning candles.
- Keep your hair and clothing away from the flame when lighting a candle.
- Don’t leave children unattended with burning candles; candle use should be closely monitored even with teenage children.
- Don’t let your children play with candle wax unless you plan to keep them under direct supervision at all times.

Enjoy the physical and spiritual warmth that candles can provide. But never forget that candles can have a deadly side when not properly tended.

David Vipond is a member of the Local 1245 Safety Committee.

Local 1245 Safety Committee

Current members of the Local 1245 Safety Committee are Keith Hopp, Pacific Gas & Electric; Al White, Pacific Gas & Electric; David Vipond, Citizens Communications; Kurt Celli, Modesto Irrigation District; Art Torres, Sacramento Municipal Utility District; Bob Burkle, City of Santa Clara; James Gorman, Davey Tree; and Assistant Business Manager Howard Stiefer.

Something Else to Bite

Even the best precautions cannot guarantee that a meter reader will never encounter a dog face to face. And not every dog is going to submit when you put on your dominance routine.

Some employers provide meter readers with protection devices to ward off animal attacks. It’s important to know how to use these devices, and to keep them at the ready in suspicious situations.

But if you have no such device, or cannot get to it in time, the best strategy is to give the dog something else to bite besides your body. Try anything: a jacket, a clipboard, your gloves—something that doesn’t bleed. While the dog is dominating the object, get your ass moving toward an exit, or at least a more defensible position.

Take Care

As numerous Local 1245 members have discovered, sometimes you won’t be able to evade the dog. Don’t be shy about calling for help. If someone else in a protected position can distract the dog, seize the opportunity to escape.

If you use your head, chances are good you will survive. (Only 15-20 people die each year from dog bites, according to dogbitelaw.com.) The next step is to take care of yourself, and others.

Take care of yourself by washing your wounds thoroughly with soap and warm water, then seek professional medical treatment. If your injuries seem serious, get to an emergency room. When you have recovered physically, be alert to signs of post-traumatic stress, such as sleeplessness, fear of being outside, or other troubling feelings or unusual behavior.

Take care of others by reporting the attack to your employer. Help build your company’s “bad dog” database. Also report the incident to Animal Control. If the dog is a stray, Animal Control personnel will want to know what the dog looks like, where the attack took place and what direction it went after it ruined your day.

People love their dogs. They’re not going to give them up. Most dog owners will exercise responsible control over their animals, but some will not. If you make your living going door-to-door, the person ultimately responsible for assuring your safety is you.

New Retirees Club Chapter

Rising up in Santa Rosa

R etired members of Local 1245 launched the fourth chapter of the union’s Retirees Club when they gathered for the first time in Santa Rosa.

The group tentatively decided upon the name North Bay Chapter of the Local 1245 Retirees Club, and immediately began discussing the issues that have galvanized union retirees into unprecedented activism: the sharply rising cost of health care premiums, and the steady erosion in the value of their pension.

The North Bay retirees agreed to change their meeting time to 10 a.m. for future meetings. Meetings will be held on the first Tuesday of the month.

Until further notice, the meetings will continue to be held at IBEW Local 551, 2525 Cleveland Ave., Santa Rosa. At their January meeting, North Bay retirees discussed ways to publicize meetings, including greater use of the Utility Reporter. Strategies for increasing pensions and the medical were also discussed.

As can be seen from the Letters to the Editor page in this issue of the Utility Reporter, retirees are speaking out in growing numbers about their plight. All retired members of Local 1245 are welcome to join this conversation in the pages of the Utility Reporter or, better yet, in person at the next meeting of the Retirees Club closest to you.

Seniors are not happy campers

L ocal 1245 retirees aren’t the only ones who are grumbling more loudly about their economic plight. Nationwide, there is growing disillusionment with President Bush’s botched effort to privatize Social Security and his utterly confusing Medicare drug benefit.

A new Wall Street Journal/NBC survey asked seniors which political party they would like to see control Capitol Hill: 47% say Democrats compared to 37% for Republicans.

The recent rash of corporations breaking its pension promises is also having a strong impact on senior voters: 75% find the cutbacks wrong and a violation of the employees’ trust, according to the poll. The poll also found 58% of seniors disapprove of the president’s handling of the economy.

Calls are growing louder to extend the initial enrollment period for the Medicare drug benefit. Lawmakers are considering legislation that would extend the enrollment deadline from May 15 to December 31, 2006, protect beneficiaries who make an initial mistake by allowing a one-time change in enrollment plans in 2006, and protect retiree benefits for those who enroll in a private Part D drug plan.

But the Bush administration is adamantly opposed to any legislative changes to the Medicare law, fearing it would open the door to other common sense amendments such as allowing Medicare to negotiate discounts directly with drug makers, which the Bush Medicare Part D law prohibits.

Seniors rip new drug plan at Petaluma town meeting

N orth Bay seniors attending a town meeting in Petaluma this month ripped the federal prescription drug benefit program that was launched Jan. 1 and pretty much crashed on takeoff.

At a hearing sponsored by Rep. Lynn Woolsey and attended by some 400 seniors, some complained that their prescription costs had gone up, not down. Others asked why an insurer could drop the drugs they use, but they were still required to stay with the health plan for a year. Still others said they were unable to get their prescriptions. Some health-care workers confirmed that they couldn’t get prescriptions for their patients.

Woolsey, who opposed Bush’s Medicare prescription bill, gave some plenty of space to describe their frustration to Steve Deering, Medicare’s deputy regional administrator in San Francisco.

Deering predicted the problems would be ironed out in a couple of weeks. But the complexity of the plan almost guaranteed that it would misfire on launch. For the program to successfully service a single claim, there has to be effective communications between the health insurer, Medicare, the Medicare claims processor and the pharmacy.

But insurance companies reportedly didn’t have enough people to handle the phones, Medicare computer programmers couldn’t input data fast enough, a problem made worse by frequent computer crashes. Pharmacists couldn’t verify health insurance through the computer link and then couldn’t get through the overwhelmed phone lines at Medicare and the health plans, according to the Santa Rosa Press-Democrat.

“It is appalling what we have done to the elderly,” Donna Koors, a geriatric nurse for more than 20 years, told Woolsey.

Congratulations newly-retired members

The Local 1245 Retirees Club congratulates these recently-retired members of the union. We invite you to participate in a Retiree Club chapter in the East Bay. San Jose, Sacramento/Vacaville, or Santa Rosa. If you don’t have a chapter nearby, call the union at 707-452-2718 and find out how you can help start one!

James Addiego 28 years Pleasanton, CA
- Faizal Khan 25 years Pleasant Hill, CA
- Concepcion Dayoan 31 years Vallejo, CA
- Donaciano Llamas 28 years Chico, CA
- Ralph Forrette 24 years Reno, CA
- Denair, CA
- Ruben Lopez 30 years Fresno, CA
- Thomas Lucas 19 years Hollister, CA
- Edward Johnson 30 years Fremont, CA
- John Mallory 15 years Lincoln, CA
- Franklin Jones 20 years North San Juan, CA
- James O’Toole 33 years Bakersfield, CA
- Samuel Osby 28 years Sacramento, CA
- Eva Prince 5 years Sequin, TX
- Robert Puckett 36 years Santa Rosa, CA
- Thomas Riddle 30 years Lincoln, CA
- Ronnie C Self 33 years Vacaville, CA
- Melva Thompson 21 years Atwater, CA
- Larry Wickland 33 years San Jose, CA
- Chester Young Jr 34 years Sacramento, CA

Retirees gather in Santa Rosa to launch the North Bay Chapter of the Local 1245 Retirees Club.

Current meeting locations

East Bay Chapter: 2nd Thursday each month, 10 a.m., IBEW Local 595, 6250 Village Parkway, Dublin, CA.

San Jose Chapter: 1st Thursday each month, 10 a.m., at IBEW Local 332, 2125 Canoas Garden, San Jose, CA.

Vacaville/Sacramento Chapter: 2nd Wednesday each month, 10 a.m., at IBEW Local 1245, 30 Orange Tree Circle, Vacaville, CA.

Santa Rosa Chapter: 1st Tuesday each month, 10 a.m., at IBEW Local 551, 2525 Cleveland Ave., Suite B, Santa Rosa.
Executive Board urges passage

SB 840 turns health savings into universal coverage

Eric Wolfe

SB 840 provides the security of knowing that no Californian will ever lose their access to health care because they have lost their job, have a pre-existing condition or simply cannot afford it. And it removes the hammer that now hangs over workers’ heads every time they go into negotiations with their employer.

Amidst all the dire reports about the pending collapse of America’s health care system, there is some good news to report: universal health care is possible, it has passed the California Senate, and is awaiting action in the California Assembly.

And here’s the amazing part: a system of universal health care in California would be cheaper than what Californians pay right now for a patchwork system that leaves millions of people uninsured, leaves millions more underinsured, and sticks California workers with a rising tab in the form of medical “cost-sharing.”

The California Health Insurance Reliability Act of 2005, SB 840, is designed to bypass the enormous, complex, and wasteful insurance bureaucracies that currently stand between Californians and their doctors. By slashing the enormous, complex, and wasteful insurance bureaucracies that currently stand between Californians and their doctors. By slashing the

first year alone, according to the bill’s author, state Senator Sheila Kuhl.

For members of IBEW Local 1245, the stakes are real, they are large, and they are growing. Health care coverage—and who pays for it—is the single largest bone of contention in virtually every set of negotiations the union has undertaken in recent years. Gains in wages and other benefits are increasingly undercut by pressure to accept a greater share of health care costs.

SB 840, which won state Senate approval last May and is now under consideration by the state Assembly, provides the security of knowing that no Californian will ever lose their access to health care because they have lost their job, have a pre-existing condition or simply cannot afford it. And it removes the hammer that now hangs over workers’ heads every time they go into negotiations with their employer.

Local 1245 Endorsement

Although the union has been monitoring health care legislation for years, the growing seriousness of the threat prompted the Local 1245 Executive Board in November to officially endorse SB 840. “The health care problem has become too big for any union, or any employer, to solve by themselves,” said Local 1245 Business Manager Perry Zimmerman. “The system is broken and government is going to have to be part of the solution.”

Six million Californians have no health insurance at all, but the health insurance crisis is imposing a heavy burden even on those who do have insurance. Millions of California workers are under-insured. Half of all bankruptcies in the US are related to health care because they have lost their job, have a pre-existing condition or simply cannot afford it. And it removes the hammer that now hangs over workers’ heads every time they go into negotiations with their employer.

Patient Choice

Another one of the great deceptions in the current health care debate is that government-sponsored programs deprive patients of the right to choose their own doctor. The exact opposite is true: today’s system of private health insurance has tended to narrow the patient’s choice of doctor.

SB 840 does not attempt to just put a band-aid on some at-risk group. Instead, the bill seeks to correct the underlying problems of inefficiency and waste.

Ending waste? Now that’s a familiar battle-cry. But is it a realistic goal in the health care system?

The answer appears to be “Yes.” The California Health Insurance System is designed as a not-for-profit system, so “profits” remain within the health system to improve services, research and provider reimbursement. A recent study found that a system like the one proposed in SB 840 could fully insure all state’s residents for $8 billion less than what is spent on health care today in the state.

One of the great deceptions in the current health care debate is that government programs are “wasteful bureaucracies” while the private sector is a model of efficiency. According to Senator Kuhl, 20-30% of the health care dollar is currently spent on administration—and that’s not even counting the profits that are extracted from the system (and your bank account).

Inefficiency and Waste

Unlike some previous “solutions” to the health care crisis, SB 840 does not attempt to just put a band-aid on some at-risk group. Instead, the bill seeks to correct the underlying problems of inefficiency and waste.

“We can contain health insurance costs if you’re willing to let your co-workers diagnose you with information they find on the internet.”

Disputers at NCPA unani- mously ratified a new agreement that raises wages.

The three-year agreement, effective Jan. 1, 2006 provides 3.25% wage increases each year.

The agreement puts a cap of 15% per year on any increase in the employer contribution toward the premium on the PERS-Choice medical plan. Local 1245 members currently pay nothing toward the premium, but would have to make a contribution if medical premium costs rise by more than 15% a year during the term of the agreement.

NCPA wage increases

New Lodi pact wins ratification

Members of Local 1245 at the financially-troubled City of Lodi ratified a new agreement that preserves existing benefits.

The two-year pact will provide a general wage increase in the second year tied to the Consumer Price Index, with a minimum increase of 3% and a maximum of 5%.

The City will be required to start an apprentice program for the line department by July 2007. The agreement also contains new successor and evergreen language.

Negotiating for the union were Jana Linkiewicz, Assistant Business Manager Dennis Seyfer and Business Rep. Rich Cowart.

“Sorry, Gus, but under our company’s group insurance plan, every employee has to be injured before anyone can collect.”

Dennis Seyfer

Rich Cowart

Dennis Seyfer

Sam Glero

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Local 1245’s tech guru retires

By Eric Wolfe

Almost every Local 1245 Business Representative has had this experience:

You go in to see Bob Martin, the union's technology guru, and ask: “When will my new computer be ready?” Or, “When can you upgrade my software?” Or, “When can you help me get this stupid DSL connection working?”

Martin will fix you with a skeptical stare, then demand to know if your name is Mr. Zimmerman. No?

“Then guess what?” he'll gleefully announce, “Get in line!”

In reality, if your problem is truly pressing Martin will usually make time to help you out. But it is also true that being the lone tech guy for a large organization with a staff spread out over the entire state, Martin has been just a bit busy since he was hired in 1988 after serving on the union's general bargaining committee at PG&E.

Among his first duties: selecting and purchasing the union's first computer. The companies the union dealt with were rapidly moving into the information age. “To keep documents flowing, we had to do the same thing,” says Martin.

Before long, in addition to serving as a relief Business Representative, Martin found himself responsible for purchasing computers for the union's field staff, loading the computers with the necessary software, and training the reps how to use them.

It was part of a larger project that Martin calls “networking the union from start to finish.” That meant wiring the union hall, installing the servers, setting up the users, establishing e-mail and making it available remotely. It also meant establishing access to a remote dispatch office operated back then by the Central Office in 2003, it meant a very necessary software, and training the reps how to use them.

But with as much things magical, there was someone sweating behind the scenes to make it all seem effortless. At Local 1245, since 1988, that someone has been Bob Martin.

Now, at the dawn of 2006, Martin has trained a successor, someone new to handle all those calls for help. Martin, who began his union career as a Power Plant Operator at PG&E's Lassen Municipal Utility District, has taken his last call and fixed his last computer for Local 1245. As of January, he's retired.

Oh, you can still call him with your computer problems if you want. But guess what?

Asher joins staff

Leslie Asher has been hired as Network Administrator for IBEW Local 1245. He replaces Bob Martin, who retired at the beginning of January. (See story, this page).

Asher served for two decades as head of ASYST, a systems company he founded in Walnut Creek that implemented computer networks, repaired computers, programmed data bases and developed web pages. He is a Microsoft Certified Systems Engineer.

Asher has belonged to teachers' unions during the many years that he taught computer classes at colleges around the Bay Area.

Welcome aboard, Leslie!

Kools calls it quits

It takes a lot of work behind the scenes to keep a large union on track: processing new members, tracking dues payments, proofreading documents, sorting mail, printing contracts, printing line-of-progression books, handling incoming phone calls and greeting walk-in visitors at union headquarters.

Ann Kools has done them all. In her 25 years at IBEW Local 1245, Kools has also served as secretary to several assistant business managers, provided administrative support to organizing drives, and deftly mollified hot-under-the-collar company officials looking for someone to blow off steam at.

Remaining cool under fire is a quality that served Kools well on one especially taxing day off. While climbing alone in the 1990s, Kools broke her leg and had to spend the night on Mt. Diablo. At dawn she began her descent—sliding on her derriere with her leg out in front of her. Despite the pain, “It was exhilarating coming down the mountain by myself,” she recalled. “I alternated between sweating and saying, ‘Hey, it's pretty cool out here.’”

As she comes down from 25 years on the Local 1245 mountain we wish her well.

Web tool exposes job exporters

Thousands of companies export jobs, endanger workers’ health or are involved in cases of violations of workers’ rights under the National Labor Relations Act.

Now you can find out more about these bad actors with an on-line research tool made available by Working America, the community affiliate of the AFL-CIO.

“Job Tracker” exposes more than 60,000 companies with records of undermining workers’ rights around the country. Find out how widespread the problem is in your community. You can do a search on Job Tracker by:

- ZIP code
- State
- Company name
- Industry

To begin your search, go to: www.workingamerica.org/jobtracker/
AL SANDOVAL MEMORIAL COMPETITIVE SCHOLARSHIP CONTEST

The purpose of this contest is to provide a grant in aid for scholarships to colleges and junior colleges, thereby making financial assistance toward the attainment of a higher education.

1. The grant will be as follows: Five hundred dollars ($500.00) per year, up to four (4) years, as long as a C (2.0) average is maintained and the parent maintains their membership in good standing in Local Union 1245.

2. In order to be a candidate in this contest, you must be a son or daughter, natural, legally adopted or a legal ward of a member of Local Union 1245. You must also be a high school student who has graduated or is graduating in the year of the contest. A copy of your transcript or a letter from your high school stating that you will graduate in 2005 must be attached to your scholarship application.

3. The Scholarship Grant will be made only to that candidate who intends to enroll full-time in any college certified by their State Department of Education and accredited by the Local Accrediting Association.

4. Applications may be secured by addressing the Recording Secretary of Local Union 1245 or by calling the Union Office or by using the form printed in the Utility Reporter.

5. Checks will be paid directly to the college upon presentation of tuition bills to the Local Union.

6. All applications shall be accompanied with a written essay, not to exceed five hundred (500) words, on the subject designated by the Executive Board.

7. Essays should be submitted on 8 1/2” x 11” paper, on one side, preferably typed and doubled spaced with applicant’s written signature at the conclusion of the essay.

8. Applications and essays must be mailed to I.B.E.W., Local Union 1245, P.O. Box 2547, Vacaville, California 95696, by registered certified mail only, and be postmarked no later than the first Monday of March of each year. (March 6, 2006)

9. Each year the scholarship shall be presented at the Advisory Council meeting in May: the Judge and a guest and the recipient and parents shall be invited, at Local Union expense, to present and receive the Scholarship Award.

10. A suitable trophy or plaque shall be purchased by the Local Union to be presented to the scholarship recipient.

NOTE: The topic for the 2006 Al Sandoval Memorial Competitive Scholarship essay is: With the passage of the new national energy bill and the repeal of the PUHCA (Public Utility Holding Company Act): What effect will it have on the Utilities and Union?

LOCAL 1245 TRADE & VOCATIONAL SCHOOL GRANT

The purpose of these grants is to provide aid to the children of members to attain a trade or technical education.

1. The grants will be as follows: Five hundred dollars ($500.00) per year, for up to two years for two candidates, as long as a C (2.0) average is maintained and the parent maintains membership in good standing in Local Union 1245.

2. In order to be a candidate in this contest, you must be a son or daughter, natural, legally adopted or a legal ward of a member of Local Union 1245. You must also be a high school student who has graduated or is graduating in the year of the contest. A copy of your transcript or a letter from your high school stating that you will graduate in 2005 must be attached to your scholarship application.

3. Applications may be secured by addressing the Recording Secretary of Local Union 1245, by calling the Union Office, or by using the form printed in the Utility Reporter.

4. The grant will be made only to a candidate who intends to enroll in any industrial, technical or trade school, other than correspondence schools, which are accredited by the Accrediting Commission for Career Schools and Colleges of Technology (ACCSCCT).

5. Applications must be mailed to I.B.E.W., Local Union 1245, P.O. Box 2547, Vacaville, California 95696, by registered certified mail only, and be postmarked no later than the first Monday of April of each year. (April 3, 2006)

6. Two names will be drawn by the Judge of the Competitive Scholarship Contest from those submitting applications. These two will be recipients of the grants.

7. Checks will be paid directly to the school upon presentation of tuition bills to the Local Union.

8. Presentation of awards will be made to recipients at the unit meeting nearest his residence following the drawing.
For millions of years birds and squirrels could pretty much rely on a tall wooden structure being a tree. A good place to perch. So you can understand why it would take a while for these animals to catch on that utility poles aren’t trees. Unfortunately, by the time the bird or squirrel discovers what happens when your body connects a live conductor to something grounded, it’s a lesson learned too late. Some animal is out of luck, and chances are good that some human is out of power.

It is just such a luckless animal that brings a Sacramento Municipal Utility District line crew to the 5800 block of Pecan Ave. in Orangevale, Ca., near Sacramento. The outage—and the carcass—had long since been taken care of. The SMUD crew’s job is to prevent a repetition of the carnage. First they isolate this part of the circuit so they can work under cold (de-energized) conditions. They change the cut-outs and the lightning arrestors, and perform a bit of “bird-proofing” by covering the wire with a protective layer of insulation.

The pole still doesn’t look like a tree. But the retrofit somewhat improves the chances for the next bird or squirrel that mistakes it for one.