



PG&E bankrupt: now what?

Bankruptcy judge moves center stage in California's high-stakes power crisis

Pacific Gas & Electric, the company that pioneered gas and electric service in California, filed for protection under Chapter 11 of the federal bankruptcy code on April 6.

PG&E's action short-circuited efforts by legislators, regulators and Gov. Gray Davis to address the utility's financial woes, and introduced a new player into California's high-stakes power crisis: federal bankruptcy judge Dennis Montali.

Local 1245 Business Manager Jack McNally called the bankruptcy filing "a tragic day for California," and blamed PG&E's financial pre-

dicament on unregulated power generators and marketers.

"PG&E was one of the greatest utilities this country ever saw. It provided the highest quality service to the people of California, and now it has been reduced to rubble by greedy companies who only care about vacuuming up every dollar in sight," said McNally.

PG&E's move into bankruptcy court dealt a severe blow to the governor's plan to restore the utility's financial health by purchasing its

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PG&E says it must retain workforce 'in order to keep the lights on'

On April 6, just hours after Pacific Gas & Electric Co. filed for Chapter 11 bankruptcy, federal Judge Dennis Montali took action to assure that employee paychecks would be protected.

Responding to an emergency motion by PG&E, Judge Montali authorized the company to meet payroll obligations incurred prior to the filing of bankruptcy, including regular wages, payroll taxes and other payroll deductions, employee health benefits, employer contributions to employee retirement savings plans, reimbursable

employee business expenses, disability and workers' compensation obligations, and "payments pursuant to all other regular employee welfare benefits policies."

Perhaps of greater significance to employees in the long run, PG&E's motion indicated the company's intention to "emerge from this reorganization with largely the same organizational structure."

"It is crucially important, therefore, that the Debtor [PG&E] retain its current trained, qualified and

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Historic order links jobs to service

CPUC orders PG&E to rescind layoffs



Commissioner Carl Wood

In an historic decision that could have an important impact on job security issues during PG&E's bankruptcy case, the California Public Utilities Commission on March 15 barred Pacific Gas & Electric and Southern California Edison from cutting costs by laying off workers involved with service and reliability.

"PG&E and Edison are ordered to rescind any layoffs of employees which are needed to fully staff customer call centers, read meters every month, timely respond to service calls and outages, and to connect new

customers," the CPUC declared. The commissioners also barred the utilities from implementing any other layoffs that may adversely affect service in these areas.

"This was an extremely important victory for employees and for customers," said Marc Joseph, the attorney who argued the case for Local 1245 and the Coalition of California Utility Employees (CUE).

"We said you can't maintain ser-

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Commission President Loretta Lynch

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Reno, NV

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Service Awards
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MAY 19

Service Awards (Public Sector)
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Sacramento, CA

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LOCAL 1245

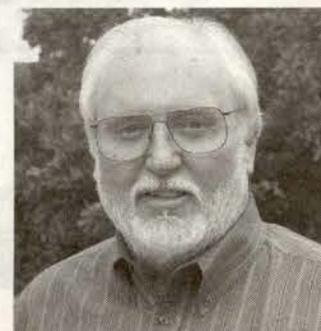
Local 1245 Election Committee

Art Freitas, Judge
Stoney Burk, Asst. Judge
Donna Ambeau
Sherry Barton
Vickie Borst
John Wayne Johnson
Norma Ricker
Raymond Shepherd
Jiro (Jerry) Takeuchi

POINT OF VIEW

Are your lights still on?

By Jack McNally, Business Manager



The day after PG&E filed for bankruptcy a Service Representative from the Fresno Call Center told me an interesting story.

A call came in from a customer who seemed surprised that anyone was around to answer the phones.

"Are you still there?" the customer asked.

"Are your lights still on?" the Service Rep responded.

That little exchange says a lot about what people want. Consumers have heard about PG&E's bankruptcy. What they want to know is whether our members will be there to keep their service on.

The answer is: we're not going anywhere. And the reason is simple. California has to keep the lights on and we're the ones who know how

to do it. No legislator can change out a transformer. No bankruptcy lawyer can fix a leaking gas main. No commissioner can operate a complex high voltage distribution system from a switching center (well, except maybe for Carl Wood).

Californians want us to be there when they call. That's why PG&E told Judge Dennis Montali that it is "critically important" that the company "retain its current trained, qualified and experienced work force." And it's also why Judge Montali granted PG&E's emergency motion that it be allowed to pay its employees.

If that's all there was to it, we could probably just sit back and let everyone else sort out this deregulation fiasco. But life's not that

simple. We have a big stake in how this crisis gets resolved.

For one thing, our members are also customers. If retail rates rise to match current wholesale prices, it hurts us just like everyone else. Power shortages will turn out the lights for our families, too. Like everyone else, we will suffer the consequences as unregulated generators continue to plunder the California state treasury.

At one time it looked like there might be an easy solution. Federal regulators could have capped wholesale prices, but refused to. The long-term contracts negotiated by the state will not deliver enough power to tame wholesale prices. New power plants aren't coming on line fast enough, and many of them will be controlled by the same pirates who are gouging us now.

Historically only one force has been strong enough to tame market wrongdoing, and that's government. In California, that comes down to Gov. Gray Davis. He has the legal authority to seize assets from the generators who are robbing us blind.

During his State of the State address in January, Gov. Davis said: "If I have to use the power of eminent domain to prevent generators from driving consumers into the dark and utilities into bankruptcy, then that's what I will do."

We've had four days of blackouts and PG&E is in bankruptcy, but Gov. Davis hasn't delivered on this pledge. Our state is bleeding. It's time for government of the people and by the people to do something for the people.

Gov. Davis needs to stop the bleeding. Otherwise we could come to a day when people ask our members "Are you still there" and there'll be no one left to respond to the call.



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SMUD committee mediates overtime dispute

A new labor-management strategic committee used "interest-based" bargaining techniques to resolve a recent dispute concerning overtime hours at the Sacramento Municipal Utility District, but the committee hit a rough patch when it tried to resolve employee concerns over changes to the 9-80 work schedule.

The overtime dispute arose when the District informed employees that scheduled overtime would be limited to 18 hours in a two-week pay period. Although the District cited "health concerns" as the reason for the new policy, employees were skeptical. In emergency situations employees have been known to work as many as 40 hours in a row without triggering any "health concerns" on the part of management.

The policy did not produce the desired results. Instead of limiting scheduled overtime to 18 hours, it succeeded in eliminating scheduled overtime altogether because employees stopped volunteering.

So the District started forcing people to work overtime. For employees, this translated into mandatory work on Saturdays.

Realizing that the new overtime policy was less than successful, the District convened a labor-management committee. Representing the union on the committee were Scott Hylton, Don Hurdle, Don Kreuter, Les Hulett, Tom Mullally, John Moe, Advisory Council member Art Torres, and Business Rep. Wayne Greer.

The committee used "interest-based" bargaining techniques, which emphasize open communications about underlying interests.

"It was a troublesome issue and the union's committee members elected to listen to management's concerns—and also made sure that the District heard the employees' concerns," said Greer.

After three sessions it was clear the District's underlying concern was that its accounting method for

the equitable distribution of overtime might be challenged by employees. The solution was creating a mutually-agreeable accounting system for equitable distribution of overtime.

Now the District is back to using qualified volunteers for scheduled overtime, with no 18-hour cap.

The process worked well enough that the committee is being kept intact to deal with other issues. Open lines of communication will be especially important as public sector utilities face further deregulation—"unbundling"—next March.

In fact, the labor-management process was put to the test again this month when the District and Local 1245 squared off over the issue of 9-80 schedules. Ignoring union members' desire to maintain the current system of half the employees taking Mondays off and half taking Fridays off, the District apparently intends to impose a new 9-80 schedule where the only day off will be Monday.

Unit updates

Unit 1222, Morro Bay Power Plant, has been reestablished. Meetings will start at 4:45 pm. The location is Round Table Pizza, 1050 Los Osos Valley Rd., Los Osos, Ca. 93402. Meeting dates are: April 19, May 24, June 14, July 19, August 9, October 4, November 8, December 13.

Dan Lockwood,
Business Rep.

Unit 4419, Redding/Davey Tree, has a new start time: 5:00 pm.

Kit Stice
Business Rep.

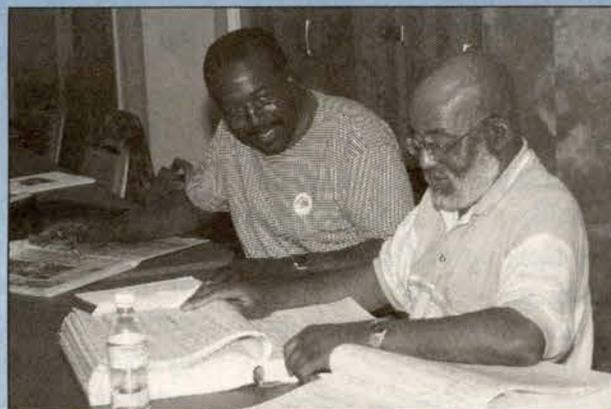
Electricians wanted

The City of San Jose has openings for electricians in Streets and Traffic, Environmental Services and Airport departments. Qualifications include high school diploma or GED, a California driver's license, completion of Electrician Apprenticeship Program, and work experience. Call (408) 277-4205 or visit www.ci.san-jose.ca.us/hum_res/jobs/jobs.htm

IBEW Local 1245 Election Committee gets down to work



Norma Ricker and Raymond (Stoney) Burk work on election procedures.



John Wayne Johnson and Raymond Shepherd check membership lists to establish candidates' eligibility.

The IBEW Local 1245 Election Committee has begun preparing for elections for officers, Advisory Council members, and delegates to the International Convention. Nomination letters were mailed out by March 30 notifying candidates that resumes for publication in the Utility Reporter are due April 16.

Serving on the Election Committee are: Donna Ambeau, Sherry Barton, Vickie Borst, Stoney Burk (Assistant Judge), Art Freitas (Judge), John Wayne Johnson, Norma Ricker, Raymond Shepherd, and Jerry Takeuchi.

Federal booklets available on union elections

In addition to the Local 1245 Bylaws and the IBEW Constitution, the conduct of labor union elections is 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 "Electing 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.



Secret tests, bank gives in, janitors victorious

Bush cuts funds for workers to finance tax cuts

President George W. Bush submitted a fiscal year 2002 budget this month that pays for \$2 trillion in taxcuts for the rich by cutting deeply into programs for working families.

Those cutbacks “are the price tag for the president’s millionaire tax cut—an irresponsible and unfair plan that will eventually cost more than \$2 trillion and would prevent us from meeting urgent national health care, education and retirement security needs, and that could trigger huge deficits in the future,” said AFL-CIO President John Sweeney. “Equally worrisome, the president’s tax and budget proposals drain Medicare surpluses and threaten Social Security as well.”

An initial look at the budget plan shows Bush would cut more than \$1 billion in the state Children’s Health Insurance Program, while 10 million children lack health insurance. He seeks a 60% cut in training for health care professionals, at the same time the nation is facing an acute nursing shortage that threatens patient care and safety.

Bush calls for a 9.5% cut in training and employment programs and a 13.5% reduction in programs to help dislocated workers. The Occupational Safety and Health Administration and the Department of Labor’s Wage and Hour Division, agencies that enforce workplace safety and laws for workers such as overtime pay protection, face budget freezes.

The Brotherhood of Maintenance of Way Employees and the Equal Employment Opportunity Commission have filed separate lawsuits asking a halt to secret genetic testing of injured workers at the Burlington Northern Santa Fe railroad. Without informing employees, the railroad had been doing DNA testing for carpal tunnel syndrome, according to a report in Labor Notes. Some scientists think there may be a genetic predisposition in some individuals towards developing such injuries. The railroad apparently hoped to avoid paying compensation on the grounds that such injuries were not work-related. The BMWE and EEOC lawsuits seek to ban genetic testing and any disciplinary action against employees who refuse such tests.

► **Wells Fargo Backs Down:** A three-year labor campaign has persuaded Wells Fargo to completely sever its relationship with Oregon Steel Mills, a company that has moved aggressively against its employees. The United Steelworkers of America organized a boycott targeting Wells Fargo because of its financial backing of Oregon Steel. The campaign resulted in \$1.3 billion in withdrawals from Wells Fargo.

► **Organizing Successes:** Service Employees International Union led the pack in organizing last year with 70,000 new members. But the International Brotherhood of Electrical Workers was high on the list, with about 50,000 new members. The United Food and Commercial Workers also organized about 50,000 new members.

► **Last Fire Survivor:** Rose Freedman, the last survivor of the infamous Triangle Shirtwaist fire of 1911, died Feb. 17 at age 107, Labor notes reported. Freedman survived the fire, in which 146 co-



workers died because the company had locked the fire exists, by following executives to the roof. She remained an activist her whole life, speaking frequently in public about the fire.

► **“No to IMF”:** Tens of thousands of protesters took to the streets of Istanbul and other Turkish cities on April 14 to protest the government’s handling of an economic crisis that has cost hundreds of thousands of jobs, the BBC reported. The demonstrations, called by an alliance of trade unions, coincided with the unveiling of a new “economic recovery” program. Demonstrators brandished placards reading “No to the International Monetary Fund,” “We want job security,” and “Save workers and public sector employees—not bankrupt banks.”

► **Janitors Victorious:** California grocery store janitors won class-action certification for their lawsuit against the three largest U.S. supermarkets for allegedly breaking labor laws by hiring workers through a janitorial-services contractor. Eight janitorial workers

filed suit in November, saying the supermarkets “pretended” to hire janitors indirectly using a contractor, making them non-employees, ineligible for overtime and other wages. The janitors often work seven days a week and are paid in cash or by personal check, without deductions for payroll taxes, they say.

► **Technology Organizing:** Employees at Lucent Technologies’ former SpecTran cable-manufacturing plant in Sturbridge, Mass., voted 223-87 to join the Communications Workers of America. The Murray Hill, N.J., telecommunications giant agreed in 1998 to a neutrality pact with the CWA that makes it far quicker to hold organizing votes. The agreement also forbids Lucent from lobbying workers to oppose unionizing. Robert J. Haynes, president of the 400,000-member Massachusetts AFL-CIO, hailed the SpecTran vote as a key boost for a growing trend: “At a time when workers are considered to be a commodity to corporate America, these workers are sending the message that organizing a union is a strong defense against corporate restructuring.”

PG&E clerical stewards briefed on state's growing energy crisis

Clerical stewards employed by Pacific Gas & Electric examined the current energy crisis in California at a conference in Sacramento on March 3.

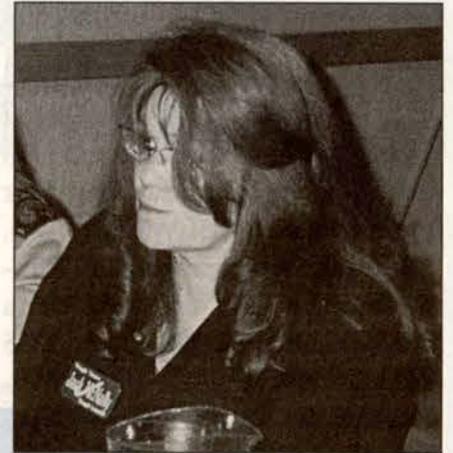
Business Manager Jack McNally reviewed the history of electric deregulation, explaining how the structure of the market led to skyrocketing prices in the year 2000 and ruined the creditworthiness of PG&E. McNally discussed recent actions in the legislature and at the California Public Utilities Commission.

Local 1245's actions, McNally explained, have included:

- Coordinating actions with other utility unions in the Coalition of California Utility Employees.
- Lobbying legislators on bills to improve utility solvency.
- Filing an emergency motion with the CPUC to prevent layoffs at PG&E.
- Engaging a law firm to research the impact of possible utility bankruptcy on Local 1245 members.

Various other Clerical issues were also discussed.

Sacramento
March 3, 2001



Linda Jurado



Ione Snyder



Adrienne Franks



Business Manager Jack McNally



Assistant Business Manager Dorothy Fortier



Attendees

Ruth Bailey
Sherry Barton
Alfonso Baute
Anna Bayless-Martinez
Mary Billingsley
Cheryle Bradley
Rosetta Burnett
Corrine Dauer
Kathleen Dongon
Terri Ferguson

Adrienne Franks
Jennifer Gonzales
Marie Graham
Linda Jurado
Karen Lamb
Susan Laughlin
Rebecca Marquez
Pate McKissack
Glen McQuade

Olivia Mercado
Linda Norris
Jimmy Ramirez
Kim Reed
Norma Ricker
Steve Smith
Ione Snyder
Richard Stevenson
Robert Uschmann



Front row, from left: Thelma Dixon, Rosetta Burnett, Norma Ricker

Line clearance tree trimmers vote for Local 1245

Davey Tree line clearance tree trimmers working at the City of Santa Clara and Turlock Irrigation District voted last month for representation by IBEW Local 1245.

Eight line clearance tree trimmers at the City of Santa Clara voted unanimously for Local 1245 on March 14 in an election supervised by the National Labor Relations Board.

"City of Santa Clara tree trimmers were historically paid a rate very close to the union rate," said

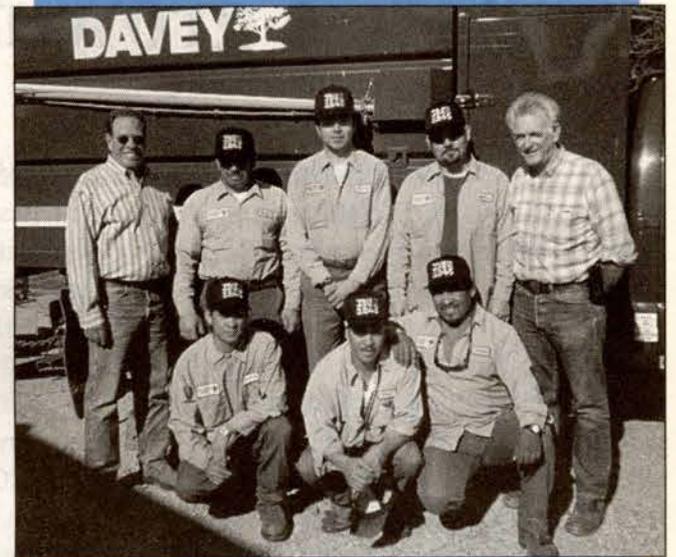
Local 1245 Business Manager Jack McNally. "But in the last few years the disparity in wages and benefits has widened."

In the past, nonunion operations at the City of Palo Alto and the City of Santa Clara have functioned as a training pool for the union tree trimmers at PG&E, whose territory surrounds these municipalities. When individuals became top climber or foreman, they would tend to move to the nearby union employer, according to Senior Business Rep. Landis

Marttila.

"At Turlock, wages and benefits for line clearance tree trimmers have lagged far behind the union standard for years," said McNally. "Employees there decided the only way they could improve their situation was through a negotiated labor agreement."

Business Representative Junior Ornelas spearheaded the organizing drives at both employers. Advisory Council member Bill Wallace and Business Representative Bill Brill (who appear in the photo above right) assisted with the organizing drive at the City of Santa Clara.



City of Santa Clara Tree trimmers

Turlock Irrigation District Tree Trimmers



City of Santa Clara

Seberiano Alegre	Marco Hernandez
Gildardo Almanza	Noe Herrera-Salto
Andres Carrion	Anastacio Segura
Jose Garnica-Pedraza	

Turlock Irrigation District

Alex Rivera	Rossario Garcia
Juan Estrada	Joe Pauls
Alex Rodriguez	Steve Sheldon
Manuel Gonazles	Gary Duty
	Richard Lane

Nevada legislative advocates

The fiasco in California has helped Local 1245's effort to halt electric deregulation in Nevada, but the union has another strong asset as well: an ace lobbying team.

Local 1245 retained two experienced legislative advocates to defend members' interests in the current legislative session in Nevada: Ernie Adler and Robert Johnston.

A strong legislative presence is important to Local 1245 members in Nevada, where deregulation has threatened job security for the past several years.

In the current legislative session, Business Manager Jack McNally directed the lobbyists to assist Sierra Pacific's efforts to recover its fuel costs, which have been escalating while rates the utilities charge customers are capped. They have also urged the Senate to stop the divesti-

ture of the utility's generation assets.

Ernie Adler is a well known figure at the Nevada legislature, where he served 12 years. He also served a stint as chief of the Criminal Division in the Attorney General's office. He has practiced law since 1977.

Robert Johnston is the former chief counsel for the Public Utilities Commission of Nevada. He has practiced utility law for over 20 years.

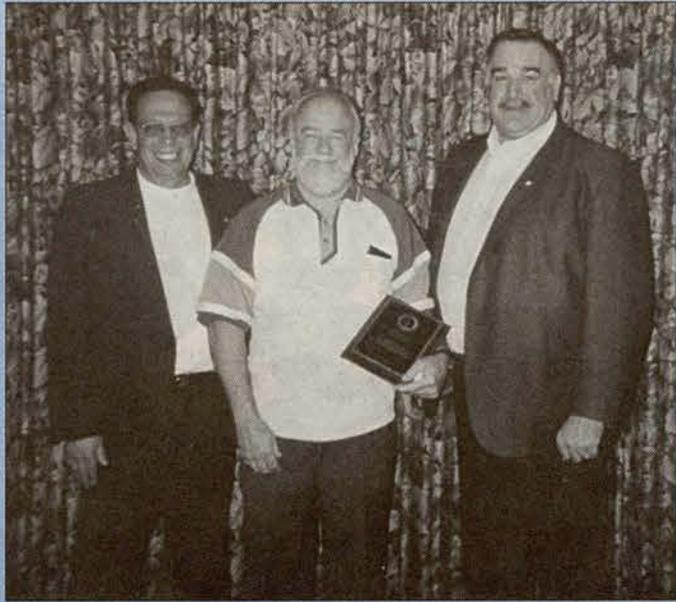
That experience will come in handy during the current legislative session, where some kind of action on utility deregulation is almost certain. Bills dealing with deregulation include AB 366, AB 369, SB 438 and SB 253. In addition, Local 1245's legislative advocates are proposing modifications to Nevada Revised Statute 704.110 to provide for a more streamlined process for cost recovery of rampant fuel increases.

Sierra Pacific

Gas Pressure Operator Apprenticeship



Local 1245 and Sierra Pacific Power in 1999 worked together to help create the only Gas Pressure Operator Apprenticeship in existence in the United States at the time. This milestone was achieved through the efforts of the Joint Apprenticeship Committee with assistance from Rebecca Massingill of Sierra Pacific Human Resources. From left, are: Alan Helm, Gas Pressure Operator; Randy Osborn, Business Rep.; Bob Wilk, Foreman, Gas System Control; Ray Thomas, Business Rep.; and William Pierce, Apprentice Gas Pressure Operator.



45 Years

James Mauzey (center) congratulated by Business Rep. Bill Brill (left) and Assistant Business Manager Bob Choate.

Monterey, Ca.
March 10, 2001



30 Years

From left: Business Rep. Bill Brill presents awards to Sal Lazano Jr., Lonnie Martin, George Hernandez and Steve Moreno.



20 Years

Phyllis Cabrera (middle) and Frederick Menezes II (right) are congratulated by Business Rep. Bill Brill.

The Honorees

55 Years
Melvin Clevenger

50 Years
Karl Davey

45 Years
James Mauzey

35 Years
J.J. Baran Jr.

25 Years
Ronald Malone
Felix Rosario
Charles Strong

20 Years
Mary Alvarez
Frank Babb
Pascual Banuelos
Pamela Camera
Rick Chadbank
Greg DeMars
Phyllis Cabrera
Willie McKelvey
Frederick Menezes II
Roberta Mora
Joe Serrano
Billy Thompson

CPUC orders PG&E to rescind layoffs

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vice levels if you lay off workers, and the Commission agreed. Never before has the Commission so strongly linked the work of utility employees with the service and reliability provided to customers," Joseph said.

The CPUC's ruling remains significant even after PG&E's decision on April 6 to file for bankruptcy protection.

"The Commission established through its 'finding of fact' procedures that jobs and service are closely linked. These findings are now part of the public record that the bankruptcy judge should take into account," said Joseph.

CUE filed the emergency motion in January, the same month that the two utilities announced plans to downsize. According to the Commission, PG&E had laid off about 505 temporary and contract workers by mid-March, and planned to release another 675 in coming months.

"The Commission has a statutory obligation to ensure that utility customers receive 'adequate, efficient, just and reasonable' service. The Commission finds that the utility layoffs have degraded service below the levels that customers have a right to expect," the CPUC said.



"Never before has the Commission so strongly linked the work of utility employees with the service and reliability provided to customers."

Marc Joseph
Attorney for CUE



Meeting with CPUC President Loretta Lynch and Commissioner Carl Wood at the California Labor Federation's Legislative Conference last month in Sacramento are, from left, Local 1245 Advisory Council member Jim Findley, (Carl Wood), Engineers & Scientists of California Business Manager Marlayne Morgan, (Loretta Lynch), Business Rep. Hunter Stern, Treasurer Mike Davis, Vice President Jim McCauley, and Recording Secretary Ed Mallory.

PG&E says it must retain 'current trained' workforce

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experienced workforce," the motion stated.

PG&E's motion applied only to payroll obligations incurred prior to the filing of bankruptcy, referred to as "pre-petition compensation and benefits."

What about wages and benefits being earned now, after the filing of bankruptcy? According to the law firm representing Local 1245 in the bankruptcy proceeding, PG&E is a "debtor in possession," that is, a company still in possession of its assets. Because of this status, employees are to be paid in the future just as in the past, in the ordinary manner.

If PG&E is a "debtor in possession," why was an emergency motion needed to secure payment of the "pre-petition" compensation and benefits? The reason is that an automatic stay (or freeze) is placed on payments for expenses incurred prior to the filing of the bankruptcy petition. The emergency motion in effect lifted that stay so that the company could meet current payroll obligations.

It is impossible to predict all the twists and turns this bankruptcy case may take in coming months (and perhaps years), but employees can take heart in PG&E's declaration to the court that it intends to remain in business, and that employees are viewed as central to that mission.

As PG&E put it in the petition, "In order to keep the lights on, ...[PG&E] must retain its current work force."



Discussing the energy crisis with CPUC Commissioner Carl Wood at the California Labor Federation's Legislative Conference last month in Sacramento are, from left, Local 1245 Treasurer Mike Davis, Advisory Council member Jim Findley, (Carl Wood), Vice President Jim McCauley, Recording Secretary Ed Mallory and Business Rep. Hunter Stern.

Bankruptcy judge moves to center stage

► From Page 1

transmission lines. Just three days after PG&E's filing, the Governor and Edison announced they had reached a deal to rescue Edison. The Governor also said that the same deal is available to PG&E—but that utility does not seem to be interested.

Since January the state has been forced to buy power for PG&E and Southern California Edison because the utilities no longer had sufficient resources or credit to buy power on their own. The transmission buy-out was designed to help restore the utilities' credit standing so that they could resume purchasing power on their own.

But PG&E's bankruptcy petition makes it likely the state will have to continue buying power into the foreseeable future, at a cost of some \$50 million or more a day. The state had hoped to finance its past and future power purchases by issuing \$10-14 billion in revenue bonds, eventually paying off the bonds with monies collected from customers' utility bills. PG&E's bankruptcy action, however, jeopardizes the state's ability to tap into the utility's revenue stream, which in turn could make it more difficult for the state to sell the revenue bonds in the first place.

Meanwhile the state is forced to use its budget surplus to purchase power, and faces the prospect of siphoning funds from other state programs if it cannot sell revenue bonds.

A major controversy was already brewing over who would get their hands on the utility's revenues, with the state, banks, alternative energy producers, unregulated generators and other creditors all clamoring for a slice of the pie. Not to mention PG&E's own need to access these revenues for its on-going operations, like providing service, repairing infrastructure, and paying employees.

Sorting through all of these competing claims will be a central concern of Judge Montali, whose job is to bring PG&E's revenues and costs into balance. With so much at stake for so many interested parties, it will require something like the wisdom of Solomon to devise a solution.

On both sides of the financial equation—raising revenues and decreasing costs—Judge Montali faces formidable obstacles.

Raising Revenues

A provision of the bankruptcy law requires that any rate increases that are part of a final reorganization plan for a regulated utility must be approved by the utility's regulators.

Prior to PG&E's bankruptcy filing, the California Public Utilities Commission moved to raise

PG&E's rates by about 40%. The reaction to this measure indicates how much controversy will surround any adjustment of electric rates:

- ◆ Consumer advocates said average ratepayers shouldn't be saddled with the costs of California's failed deregulation experiment.

- ◆ Alternative energy producers (called Qualifying Facilities) said the CPUC's rate formula would prevent them from recovering the cost of producing power for PG&E. Some of the producers initiated court action to rid themselves of contractual obligations to sell their power to PG&E, raising the specter that their power could be sold at even higher market rates or go to consumers outside of California.

- ◆ And PG&E itself complained that the rate structure envisioned by the CPUC would leave the utility operating at a loss.

As a judge, Montali may feel free to ignore the clamoring of these and other aggrieved constituencies. And it appears he may have the power to unilaterally raise rates on a temporary basis.

But it won't be so easy for the California Public Utilities Commission—and the governor who appointed a majority of its members—to tune out the angry voices. If Judge Montali has to negotiate with the CPUC to impose permanent rate increases, it seems likely that a lot of players will end up with a say in the matter—one way or the other.

A negotiated solution is more or less what happened in Texas when El Paso Electric filed for bankruptcy protection in 1992, according to an article by Laura Holson in the April 8 issue of the *New York Times*. After four years of haggling in bankruptcy court, the utility finally sat down and negotiated a solution with local politicians and the Texas Public Utilities Commission.

"The only thing bankruptcy did was wear a lot of people down so they were more willing to make compromises," said David Wiggs, who was chairman of El Paso Electric at the time.

Reducing Costs

Raising rates could be a thorny issue, but reducing costs appears to be an entire briar patch.

Businesses often will try to reduce costs by slashing their workforce. But that approach holds little promise in this situation.

For one thing, labor represents a miniscule part of PG&E's overall expenses. The Coalition of California Utility Employees calculated that workforce reductions announced by PG&E and Edison early this year would save the utilities enough money to purchase only a few minutes of power per day on California's wildly-inflated wholesale market.

The California Public Utilities Commission agreed that layoffs would do nothing to ease the utilities' financial problems, and accepted the unions' argument that layoffs would erode the quality of customer service. In March the CPUC ordered the layoffs rescinded, and prohibited any further layoffs that would negatively impact service. (See story, Page 1.)

Simple arithmetic shows that wildly inflated wholesale power costs, not stable labor costs, drove PG&E's finances into the ground.

And it is not clear that Judge Montali has any power to command wholesale generators and marketers to reduce their ruinous prices.

Deregulation's Dark Heart

Which brings us to the dark heart of California's energy crisis: deregulated wholesale prices.

California spent less than \$8 billion on electric power in 1999. That figure grew to about \$27 billion in 2000 and could top \$70 billion in 2001. That level of spending will be ruinous for the California economy, whether it comes in the form of enormous rate hikes on residents and businesses or in the form of huge disbursements from the California state treasury.

Opinions may differ on whether the time was right for PG&E to choose bankruptcy, but there can be little doubt about this:

It is the unregulated generators and marketers who drove California's leading regulated utility into the ground, and their assault on the broader California economy continues hour by hour.

It is the unregulated generators and marketers who drove California's leading regulated utility into the ground, and their assault on the broader California economy continues hour by hour.

Local 1245 Steward Training Conferences



Monterey, Ca.
March 10, 2001



Santa Rosa, Ca.
March 24, 2001



San Luis Obispo, Ca.
January 20, 2001



Oroville-Wyandotte ID agreement approved

Local 1245 members at Oroville-Wyandotte Irrigation District ratified improvements to the labor agreement in "reopener" bargaining that was limited to two items.

The two improvements negotiated were inclusion for the first time of a long-term disability (LTD) plan, financed by a one-time 1.03% wage offset, and an indexed reim-

bursement for jeans.

The agreement was ratified on March 20 by a 16-3 margin.

Negotiating for the union were Gay Venson, John Graham, Dorinda Matney-Scotfield, and Local 1245 Business Rep. Jack Osburn.



Osburn

Labor educator James Poyer

Labor educator and economist Bruce Boyer died Feb. 20 at the age of 73.

Poyer was known for his pioneering work in establishing a labor occupational health program at the University of California, Berkeley. He also played a key role in designing a labor program that brought minority union members onto the Berkeley campus for leadership development.

Poyer's research work and papers covered many topics, including the Social Security system, Occupational Safety and Health, labor and environmental issues.

Donations in his memory can be made to the American Friends Service Committee or Doctors Without Borders.

Bella Vista Water District ratifies four-year agreement

Local 1245 members at the Bella Vista Water District ratified a new agreement on April 5 by a 11-4 margin.

The four-year agreement provides a 3.5% wage increase in the first year, and wage increases pegged to the cost-of-living index in each subsequent year, with a 2.5% minimum and a 5% maximum.

The agreement makes improvements in the life insurance benefit, maintains medical benefits and the ability to earn up to 20% above rate through incentives.

Negotiating for Local 1245 were

Bonny-Lee Doyle, Philip Alleman, Tom Zaharris and Business Rep. Jack Osburn.

NCPA dispatchers ratify first agreement

Members of Local 1245 at the Roseville dispatching unit of the Northern California Power Authority ratified a first agreement 6-0 on Feb. 14.

The three-year agreement provides wage increases of 4.56% in the first year, 3% in the second year,

and 3% in the third year.

The agreement also established automatic wage progression.

Negotiating for the union were Roy Habers and Local 1245 Business Rep. Frank Saxsenmeier.

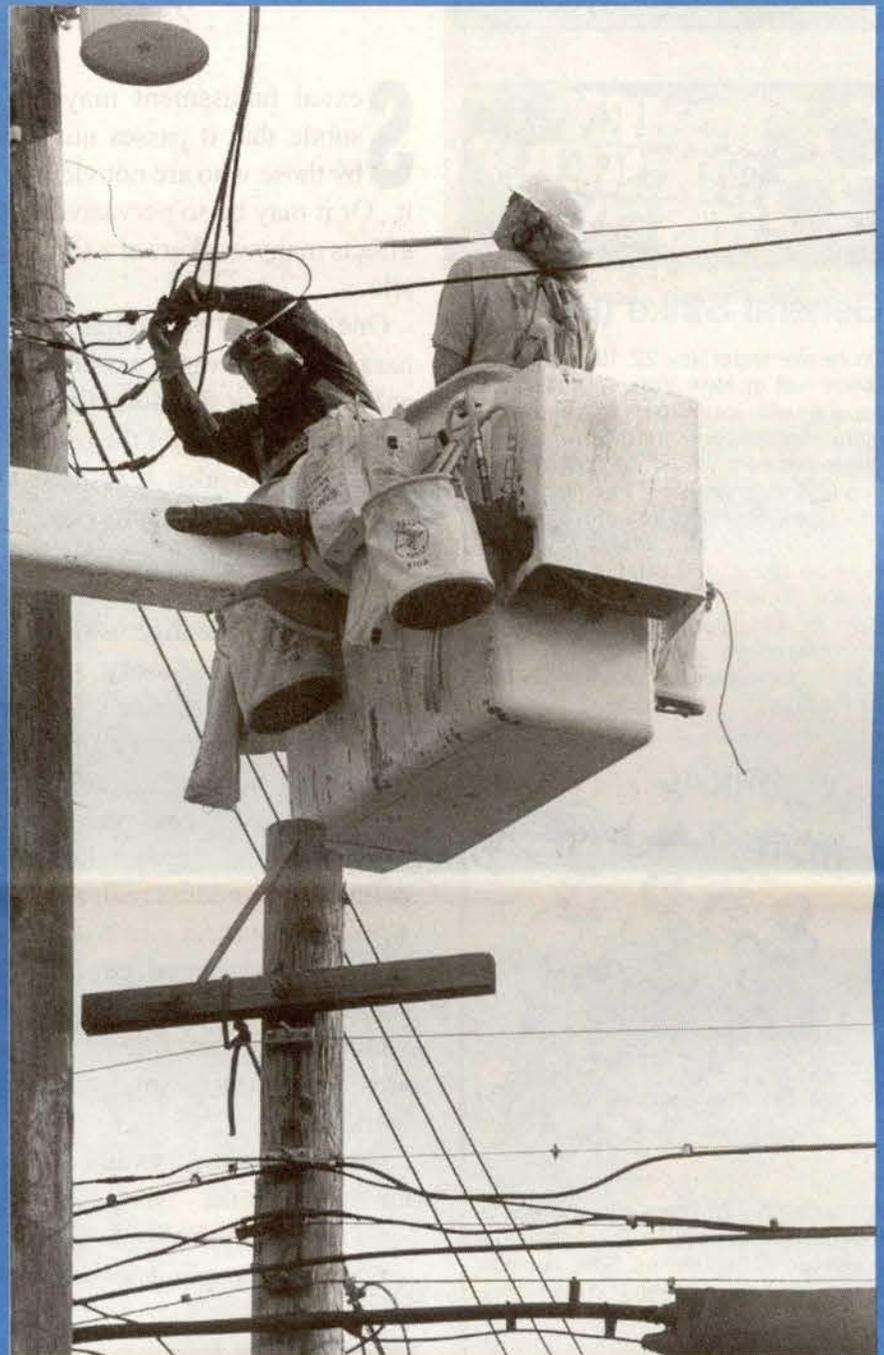
Also assisting with the negotiations were Phil Speakman and Rudy

Birando. Sadly, Brother Birando passed away before negotiations were completed. Local 1245 extends its condolences to the friends and family of Rudy Birando.



Saxsenmeier

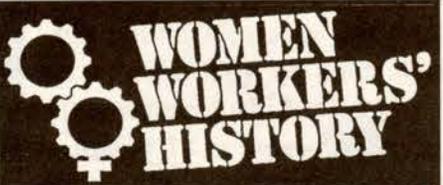
Outside Construction



Local 1245 Outside Construction Linemen Gary Heil and Dennis Lantry complete a pole replacement in Concord, Ca. The job was performed by Henkels McCoy for Pacific Gas & Electric.



Recognizing sexual harassment



General Strike (Part 1)

On the evening of Nov. 22, 1909, Cooper Union hall in New York was filled to capacity with young immigrant women, many attending their first union meeting. Three garment shops were on strike, and the industry was seething with rebellion. On the podium were officers of the International Ladies Garment Workers Union, and various prominent guests, among them AFL President Samuel Gompers. For two hours, speakers urged caution. Then a striker named Clara Lemlich stood up and asked for the floor.

HISTORICAL HISTERICAL WOMEN



Although only 20 years old, she was a founder of ILGWU Local 25 and already a veteran of two strikes. She was still recovering from a beating on the picket line. "I am a working girl," she said, "one of those who are on strike against intolerable conditions. I am tired of listening to speakers who talk in general terms. What we are here for is to decide whether we shall or shall not strike. I offer a resolution that a general strike be declared—now!"

Work in the garment shops was seasonal. Workers were either pushed for up to 60 hours a week, or thrown out on the street without income of any kind. Most workers were employed by small shops, which constantly tried to bid down prices and wages. Workers were charged for the use of sewing machines, needle and thread, fined for coming in late or spoiling cloth. Most workers were young women, who were paid a pittance; men were either skilled workers or subcontractors.

The men ran the union. But the women, exploited and abused, were going to make history. The meeting voted unanimously to adopt Clara Lemlich's resolution. The general strike was on.

(Continued Next Month)

Sexual harassment may be so subtle that it passes unnoticed by those who are not victims of it. Or it may be so pervasive that it affects many workers at a single job site.

One thing is very clear: sexual harassment prevents workers from achieving their full potential on the job, deprives them of the respect to which every worker is entitled, and can cause serious physical and emotional harm.

"Quid pro quo" harassment is fairly easy to identify: someone in a position of authority states or implies that the victim's job, promotion or assignment depends on complying with sexual advances.

"Hostile work environment" harassment is somewhat harder to define, but is no less real. A hostile work environment exists when undesirable, unwanted conduct unreasonably interferes with the victim's job performance or creates an intimidating, offensive workplace.

Unwelcome and unwanted behavior may include:

- Propositioning
- Sexually explicit jokes

- Demeaning comments
- Sexual innuendo
- Discussing sexual activity
- Unnecessary touching (pinching, rubbing, bumping)
- Commenting on physical attributes
- Reading or displaying sexually suggestive materials
- Using demeaning or inappropriate terms
- Using offensive gestures
- Workers of one gender ostracizing those of the other
- Granting job favors to those who participate in consensual sexual activity
- Using crude, offensive language

Types of sexual harassment include:

Sexual favoritism: Incidents involving a supervisor playing favorites, rewarding those who respond to sexual advances. Employees who do not go along with the supervisor's demand and are denied pay raises, promotions or the best job assignments may claim harassment.

Indirect harassment: An employee who witnesses sexual harassment on the job, but isn't the

target, can claim sexual harassment. For example, a California court ruled that an "environment of sexual harassment" was created by a boss who grabbed workers in full view of an employee who ultimately brought charges. Although the charging employee was not directly harassed by the boss, she was adversely impacted by his actions, which created a hostile, intimidating environment in which she was required to work.

Harassment by nonemployees:

In both quid pro quo and hostile environment cases, the employer may be held responsible for harassment by nonemployees, like vendors, contractors or customers, if the employer knew or should have known of the conduct, failed to take immediate and appropriate corrective action, and has control or responsibility over the nonemployees.

Harassment based on gender:

This consists of behavior that is not overtly sexual, which is directed at a woman explicitly because she is a woman. This may include profanity, pranks, and derogatory comments.

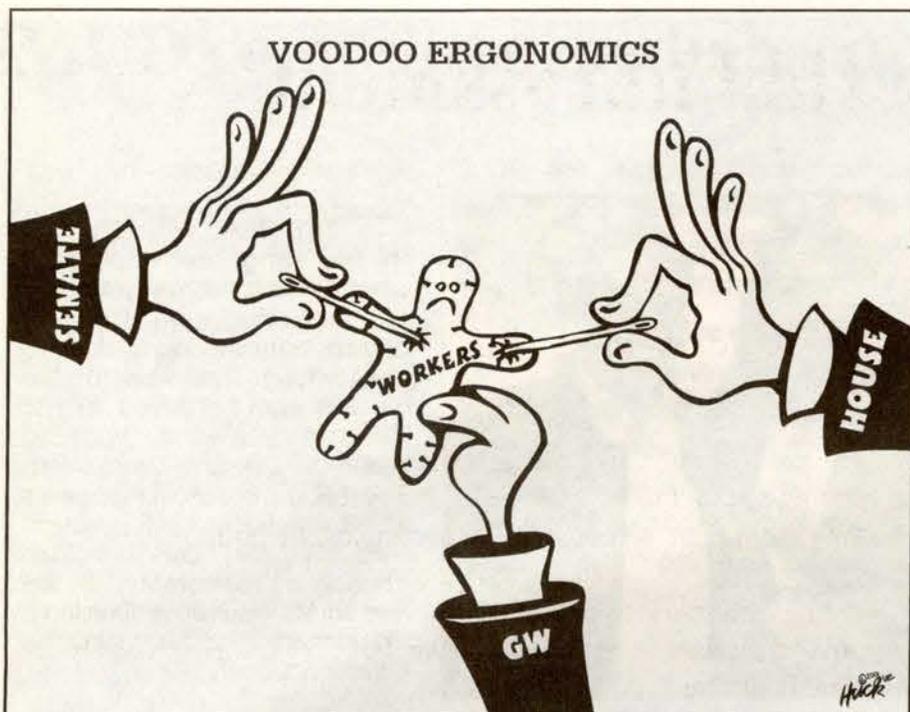


SEXUAL HARASSMENT WORKSHOP

Royetta Sanford, director of the Human Services Department for IBEW, conducted a workshop on April 2 for the Local 1245 staff on recognizing and combatting workplace sexual harassment.



By the Local 1245
Safety Committee



Ergonomics standard buried

Bush signature kills protections

President George W. Bush condemned millions of workers to the pain and suffering of ergonomic injuries, such as carpal tunnel syndrome, when he supported and signed legislation March 20 killing the Occupational Safety and Health Administration's ergonomics standard.

Under the terms of the special legislation used to kill ergonomics, OSHA is prohibited from issuing a similar rule in the future unless Congress votes to allow a new measure.

The U.S. Senate and House of Representatives voted to kill the new worker safety rule on March 6 and 7 with little debate after business groups, including the National Association of Manufacturers and

the U.S. Chamber of Commerce, made killing the standard a top priority. With Bush's lethal injection of his signature, this important worker protection—issued last year after more than a decade of work—was officially put to death.

Ergonomic hazards are the biggest job safety problem in America. Every year, more than 1.8 million U.S. workers suffer painful injuries on the job; some 600,000 are serious enough to require time off from work. Ergonomic injuries are caused by heavy lifting, repetitive work and poorly designed jobs. The OSHA workplace safety rule would have required employers to train workers, find and fix job hazards and provide medical evaluations to injured workers.

How Did Your Representative Vote?

Central & Northern California Congressional Delegation

Voted to **Protect** Worker Health

- Senator Feinstein
- Senator Boxer
- Rep. Thompson
- Rep. Matsui
- Rep. Woolsey
- Rep. Miller
- Rep. Pelosi
- Rep. Lee
- Rep. Tauscher
- Rep. Lantos
- Rep. Stark
- Rep. Eshoo
- Rep. Honda
- Rep. Lofgren
- Rep. Farr
- Rep. Condit
- Rep. Capps

Voted to **Not Protect** Worker Health

- Rep. Heger
- Rep. Ose
- Rep. Doolittle
- Rep. Pombo
- Rep. Radanovich
- Rep. Dooley
- Rep. Thomas
- Rep. Lewis

Nevada Congressional Delegation

Voted to **Protect** Worker Health Voted to **Not Protect** Worker Health

- | | |
|--------------|------------------------|
| Senator Redi | Senator Senator Ensign |
| Rep. Berkley | Rep. Gibbons |

Hassle free health goals

Many of us want to lead healthier lives, but because of our busy schedules, eating wisely and staying healthy can be difficult.

Here are a few hassle-free ways of staying healthy:

- Practice deep breathing when you feel tense or fatigued.
- Sit straight to reduce cramping and backaches.
- Go to bed earlier if you feel fatigued.
- Floss your teeth.

- Drink several glasses of water each day.
- Drink juice instead of coffee.
- Snack on celery, carrots or fresh fruit.
- Take prescribed medicine as directed, and on time.
- Protect your back when lifting.
- Always wear your seat belt while in a moving vehicle.
- Smile and look for opportunities to laugh.
- View each day as an opportunity for a fresh start.

Sprains and strains

A sprain is a stretch or tear of a ligament, the fibrous band of connective tissue that joins the end of one bone with another. A strain is a twist, pull and partial tear of a muscle or tendon.

A sprain can have varying intensities of pain, bruising, and inflammation. The injured person will usually feel a tear or pop in the joint as ligaments tear or separate from the bone. Strain injuries are usually accompanied by pain, muscle spasm, muscle weakness, swelling, inflammation, and cramping.

Treatment for strains and sprains is usually rest and keeping off the injured area for at least 24 hours. Apply ice packs to the area that is painful, but wrap a towel around the ice pack to avoid frostbite. Ice should be intermittently applied for the first 24 hours.

Apply compression with an ACE

bandage if possible, and elevate the injured area above the head if possible.

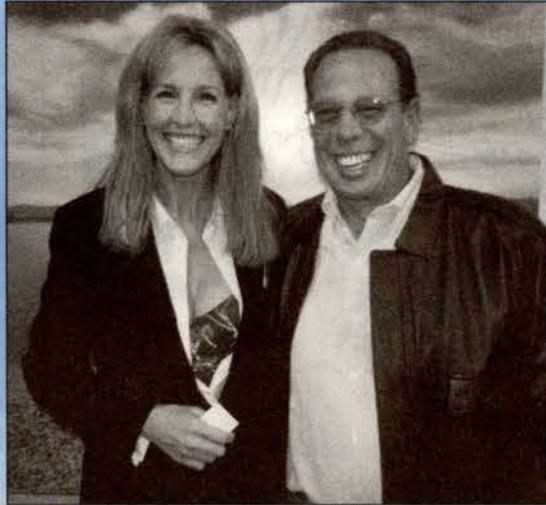
It is important in all but mild cases for a doctor to evaluate the injury and suggest proper treatment. A severe sprain or strain may require surgery or immobilization followed by therapy.

Mild sprains and strains may require rehabilitation exercises. During the first 24 hours avoid hot showers, heat rubs, hot packs, alcohol and aspirin (which retards clotting of the blood).

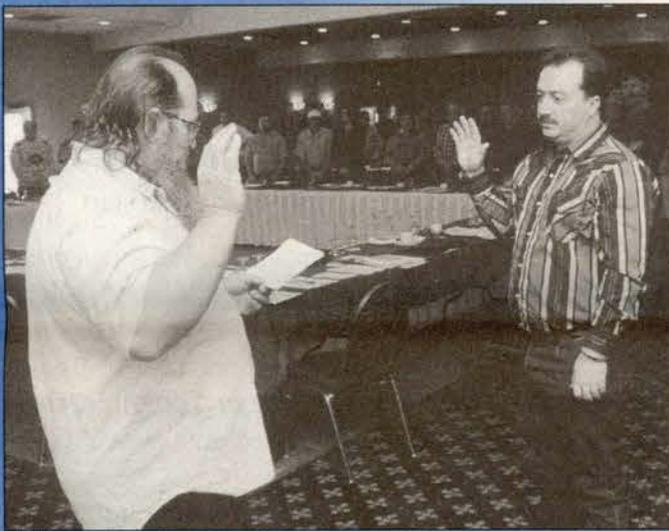
No one is immune to sprains and strains, but here are some tips for reducing the chances of injury: Warm up the muscles before starting work, wear boots that support the ankle, don't over-extend your reach while moving heavy objects, and above all, be aware of your surroundings.

Current members of the Local 1245 Safety Committee are: Stoney Burk, Alameda Power & Telecommunications; Keith Hopp, Pacific Gas & Electric; Ralph Muraca, City of Santa Clara; Mark Rose, Davey Tree; Al White, Pacific Gas & Electric; Rod Wright, Modesto Irrigation District; and Assistant Business Manager Art Murray.

In the Local 1245 Spotlight



THE REAL WINNER
In her long, self-indulgent acceptance speech at the Oscars last month, Julia Roberts somehow never found time to acknowledge the work of the woman she portrayed in her Academy Award winning performance: Erin Brockovich. The real Erin Brockovich appears at left with Local 1245 Business Rep. Bill Brill at the 25th anniversary celebration of the Silicon Valley Toxics Coalition. Brill formerly served as chair of the Coalition's board.

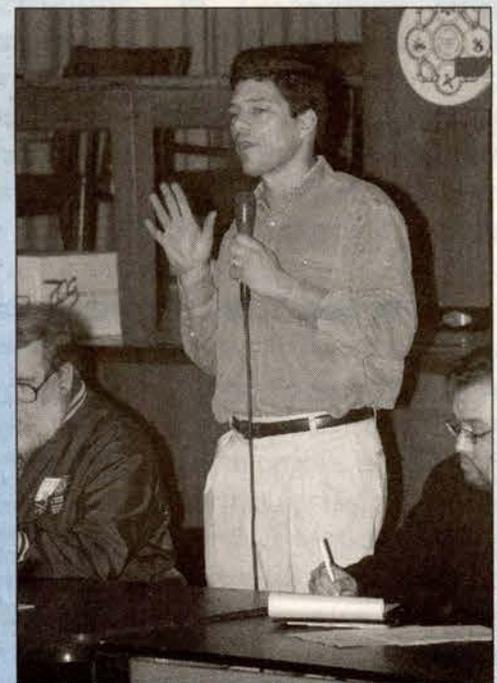


NEW ADVISORY COUNCIL MEMBER
Local 1245 President Howard Stiefer swears in John Felts at the February Advisory Council meeting in Concord, Ca. Felts represents Pacific Gas Transmission on the Advisory Council.

50 YEARS
Leonard Colcleaser, right, is congratulated by Senior Business Rep. Landis Martilla for his 50 years of service to IBEW. Colcleaser was unable to attend the Service Awards ceremony in 2000, the year he reached the half-century membership milestone.



Local 1245 members Willie Bouzek (left) and Robert Cupp (right) discuss electric deregulation with French electrical workers Claude Pommery and Tancrede Motta, who explained that the introduction of market forces are creating problems for electrical workers in Europe.



ENERGY FORUM
Local 1245 Business Rep. Hunter Stern discusses the energy crisis at a forum last month sponsored by the San Francisco Labor Council.

Eric Wolfe



What happened to campaign promises?

By Orv Owen

Many of our current seniors began their adult life fighting for their country in World War II to protect our freedoms and our quality of life.

After the war, we returned to school or to the workforce to get on with our lives. Many bonded together in brotherhoods to gain dignity and justice at the workplace.

We worked hard to raise our families and educate our children in a quality of life we earned and deserved. When we reached the age of 65 and retired, we expected that we would be able to enjoy retirement with dignity and have the financial security with the pensions and investments we worked hard to establish.

We expected that Social Security and Medicare that we earned and

paid for during our working years would enhance our remaining retirement years. In essence, we left our jobs and our country in better condition than when we began our adult life and working years.

Unless your head has been in the sand or you are in denial these past few months, you will have noticed that the quality and dignity we expected in our retirement years are in jeopardy. The only action in Congress consists of Congressional millionaires debating how many more millions they need from the fat cats to remain millionaires in Congress. Their promises to the voters to secure Medicare and Social Security, to provide a reasonable and affordable prescription drug plan for seniors, to provide a Patients' Bill of Rights, none of these promises have received serious attention.

The current appointed President's policies against unions and their members is undeniable. He has overturned labor standards that favor workers and their families and has intervened in the collective bargaining process in a way that favors employers.

When the majority of current seniors retired, the basic necessity of electricity, natural gas and water were available, affordable and stable under regulated utilities. Now, as a result of deregulation, the affordability, availability and stability of these basic necessities is no longer assured, and in my view provides credence to the argument for public power.

Keep alert and keep the faith!

Orv Owen, a former Assistant Business Manager of Local 1245, is active in the Retirees Club.

Make a Date...

The Local 1245 Retiree Club invites you to join us for companionship, discussion and projects. Current meeting locations are:

East Bay Chapter: meets 2nd Thursday each month, 10 a.m., at Local 1245 headquarters, 3063 Citrus Circle, Walnut Creek, CA.

San Jose Chapter: meets 1st Thursday each month, 10 a.m., at Local 332, 1870 Stone Ave., San Jose.

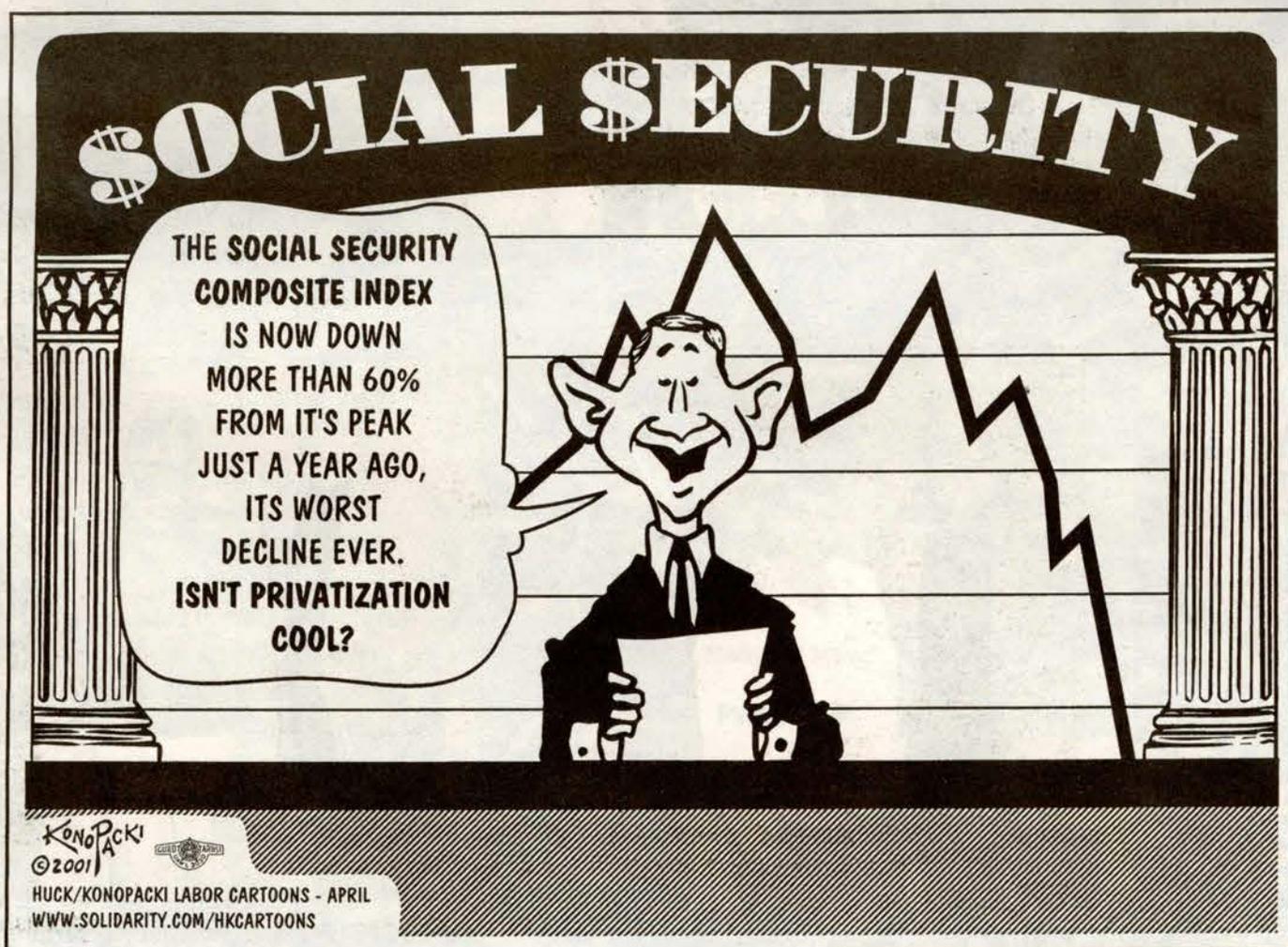
Risky business

Investing Social Security funds in the stock market attracted a lot of attention when the market was hitting record highs last year.

But recent market declines reveal the folly of exposing Social Security to market risks: seniors need a stable income in their retirement years, and stability is something markets can't provide.

Social Security has been a well-run federal program benefitting millions of seniors and disabled citizens for over 60 years. Money managers on Wall Street would love to see Social Security funds invested in the market so that they could ring up huge commissions. President Bush has expressed support for putting Social Security funds in the market.

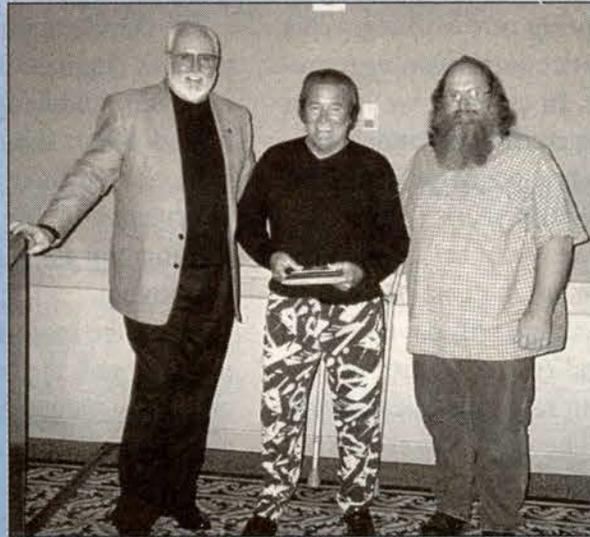
But playing the market with Social Security funds is a scheme most Americans will reject when the risks are made clear.





45 Years: Bill Jones (left) with Business Manager Jack McNally.

**Santa Rosa, Ca.
March 24, 2001**



40 Years: Kenny Williams (middle) with Jack McNally and President Howard Stiefer.

The Honorees

45 Years
Bill Jones

40 Years
Kenny Williams

35 Years
Larry Baker
R. P. Cooney
Denis Glynn
C. Hebewrt Jr.
Brian Kerchenko
D.A. Ledbetter
Larry Mead
Carol Noonan
D.R. Roussan
L. Welch

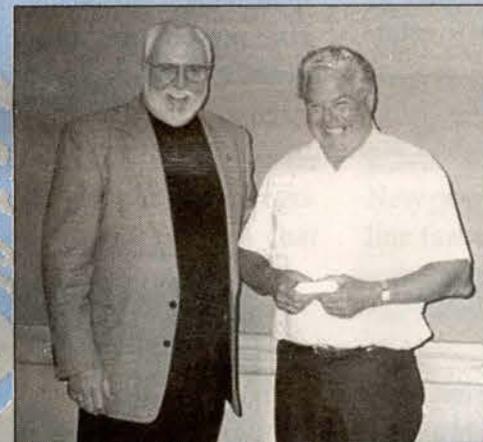
30 Years
Lawrence Barni
Dennis Delgrande
Chuck Fisher
John Gomes
Jim Gordan
John Grass
Charles Hadrich
Lee Hensley
Patrick Holland
Doug Hopper
George Hurley
Stefven Manfre
Leroy McGill
Larry Packard
John Plover
Marvin Reno
Richard Roberto
Marlow Setervang
Rick Smithers
Charles Springer
Gary Stevenson
Lee Taha
David Visser

25 Years
Sharon Blais
Paul Catalano
James Evarts
Michael Farmer
Robert Kidwell
Floyd Latimer
Gordon Pigg
James Pigg
Chris Reyes
Jill Westerhold

20 Years
Carl Bateman
Barry Conner
Moise Cortez
Betty DeConter
Kyle Dickson
Russ Fairbanks
Garrick Fong
Patricia Gibbons
Fernando Gonzalez
Jacquelin Good
Douglas Koski
Debra Kotula
Mike McLoughlin
Andrew Mueller
Mark Rasmussen
Gustavo Rendon
Jon Winterboer
Randy Yancy



30 Years



35 Years: Larry Baker (right) with Jack McNally.



25 Years: Chris Reyes (right) with Jack McNally.



20 Years: Fernano Gonzalez (center) and Russ Fairbanks (right) with Jack McNally.