

TESTIMONY ON SENATE BILL 221

BY

GEORGE E. WHALEN
UTILITY WORKERS UNOIN OF AMERICA,
AFL-CIO
LOCAL #175
DAYTON, OH

Good morning, Chairman Representative Hagan, Committee members.

My name is George Whalen. Thank you for the opportunity to testify on S.B. 221, electric re-regulation. I worked over 40 years in electric distribution as a Lineman for Dayton Power and Light Company.

Most of my work time was as a Line Troublemaker, repairing and restoring power. Almost always, people were happy to see me. I retired over a year ago.

In 1997, 1998 and 1999, Florris Fortune, a co-worker and I lobbied against electric deregulation here in Columbus on behalf of the Utility Workers Union of America from Local 175 in Dayton. I testified in the House and Senate on several occasions and also at the PUCO. We asked for worker protection and better consumer protection. S.B. 3 passed in June 1999. Some of our fears are coming true.

We still feel strongly on these issues. The consumer protection issues I address today are reliability, service and staffing levels. I'd like to give you a little history first.

In the 20 years prior to the push for deregulation, there was a 30% reduction of the electric utility workforce in the United States as the electric utilities prepared for the potential of deregulation and the fear of stranded costs. This got our attention. No base load generation was being built or planned.

Load growth was increasing. Creative adjustments were made such as lowering reserve levels, gas fired peaking units (which help skyrocket demand and price for natural gas) and on-site generation to lessen load on the wires that transport the electricity.

These were adequate interim measures; however more base load generators and upgrading the “umbilical cord” system was needed – and still is needed – as projected load is increasing.

I’d always heard in “utility speak:”

Generation makes	\$\$\$\$\$.
Service costs	\$\$\$\$\$.

That may be right, but if electric workers don’t keep the meters spinning, there is no money going in the cash register.

The premise of deregulation was less dollars for the same service, not more dollars for less service.

The utilities have been scrambling to keep service levels acceptable to the PUCO and their customers. Many changes have helped meet service levels. I have seen job descriptions broaden to cover more diverse duties to fill in for missing manpower. New types of vehicles and equipment help less workers accomplish more and makes work easier and safer.

Still, I have seen overtime increase from eight hours a week to 20 to 40 hours a week on a regular basis. For some electric workers, this seems excessive. It was for me at my age. It was a big reason for some of my co-workers and me to retire. Some younger workers prefer quality family time. Some prefer overtime. They work a lot of 16-hour days to fill vacant shifts and 20-24 hour stints on storm restoration.

The companies and unions have been working together to address these situations.

Mutual aid (assistance from other electric utilities) is heralded as a resource to address understaffing during storm restoration. Thirty years ago mutual aid was a rarity. Today it is commonplace.

Let me tell you about mutual aid. It is one of the most expensive and least effective forms of storm restoration. Electric workers from other utilities and states use some different equipment and construction standards. They arrive several days after the outages began to areas they are unfamiliar with. They hope to find the material needed to make repairs. They are lead to the location and hope for a qualified person familiar with the work that needs to be done to give them information and to facilitate their efforts. This doesn't always happen because most of the qualified personnel are performing storm restoration.

Many repairs made during and after storms are temporary in nature but become permanent due to inadequate manpower to follow-up. When the temporary repair fails, we then have time to fix it correctly, the second time. This is knee-jerk maintenance and extremely inefficient.

If utilities had more electric workers, they could be used for improved maintenance or construction and be readily available for storms. Improved maintenance would reduce outages. It's a double benefit.

There are three major parts of electric distribution:

1. Storm restoration
2. Construction
3. Maintenance

STORM RESTORATION

Storm restoration is of utmost importance. New construction is very important for our industrial and commercial customers, but I won't neglect to mention residential customers also.

Maintenance is in the background. You don't miss it until it is too late. Tree trimming is the lion's share of preventive maintenance.

Scheduled tree trimming programs must be a requirement to lessen storm damage.

To simplify line troubleshooting, I would tell linemen in training this about outages:

- If it's windy it's caused by trees
- If it's stormy, it's caused by lightning
- If it's a clear day, it's a squirrel

Most utilities like to hire and train electric workers to their company's standards and practices. I agree with that reasoning. Young electric workers now have more and better classroom training than was offered 40 years ago. I have visited some IBEW training facilities and am quite impressed with their quality.

Some old timers say "They don't make 'em like they used to!" I say, "No, they don't - they're a lot smarter now!"

Unfortunately, it takes five to six years to train an electric worker all facets of the job needed to work safely and efficiently. Hands-on experience is the most important part of training. After about 15 years of reduced hiring, it is going to be hard to catch up. An aging work force (me for example) needs to be replaced and supplemented. Again unfortunately, young applicants for these entry-level jobs are not abundant. Working outside along with the physical rigors of utility work isn't for everyone. I thought it wasn't that hard, but after growing up on a dairy farm, everything else is easy!

Utilities should be encouraged to hire more electric workers. Maybe incentives could be used. An obvious resource for permanent employees is utility workers from contractor companies (some who are from out of state). If they were hired as permanent employees, we would have more Ohio workers. These are good jobs!

Service and staffing levels are intertwined. It takes good people to give good service. The gas, electric and telephone companies have traditionally been known for good service. Let's not lose sight of that when new standards are put into effect.

CONSTRUCTION

The overseeing of contracted services by qualified supervision has been deficient in my opinion. Company employees are trained to take pride in their work. Outsiders (contractors) come and go. Correct installation/construction procedures eliminate/reduce service problems and therefore outages on down the line. Good construction procedures are essential. Good supervision by qualified personnel is necessary for good construction.

SERVICE

In the mid-90s, the PUCO issued Electric Service and Safety Standards. This was a step in the right direction. During the deregulation hearings, the Utility Workers Union of America asked for increased standards and benchmarks. We wanted benchmarks to establish the level of service that was being provided at that time to establish a measurement against future service levels. We did not want service to suffer because of deregulation. We would rather have had the records from the PUCO from ten years prior as a starting benchmark. We were unsuccessful. I am pleased that the PUCO is now addressing improved standards. The PUCO CAIDI (Customer Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) standards also help track and reduce consumer's outages.

I believe benchmarks are needed to measure changes. They tell us where we've been and where we are. In the late 1960s, DP&L advertised on billboards as 99.8% outage free. Where are we now?

The PUCO has been downsized also because of deregulation. During this transition, we need more help from them. It's their job. The Ohio Consumer's Council's job is supposed to be for consumer protection. They should be used to monitor the pulse of this transition. An ombudsman for consumers could mediate isolated chronic service problems.

Restoration dispatching prioritizes the number of consumers who are without power. This makes sense, but the rural customers and small pockets of urban customers are last to be dispatched during major outages. Less manpower means much longer outages. They just have to take a number and wait. Some of them have been trained to accept this.

Also missing in the last 8-10 years is a place consumers can pay their electric bill without paying a fee. When service centers closed, access to make payments in person and discuss their account with an employee having information at hand disappeared. Some of these consumers cannot afford the fees associated with making payments. This may be an increasing trend with today and tomorrow's economy. It would be consumer friendly to have bill payment locations available again for those who need it most.

I know from first-hand experience just what electric shock is. I just hope I don't get shocked again in the future when I get my electric bill.

The "invisible hand" that economist Adam Smith referred to in the competitive market doesn't care whose pocket it gets into or how deep it goes.

Thank you for being my audience and if any of you have any easy questions to ask of me, I'll try to answer them.