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7 **STATE OF WASHINGTON**
8 **WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

9 IN THE MATTER OF THE JOINT
10 APPLICATION OF

NO. U-180680

11 PUGET SOUND ENERGY, ALBERTA
12 INVESTMENT MANAGEMENT
13 CORPORATION, BRITISH COLUMBIA
14 INVESTMENT MANAGEMENT
15 CORPORATION, OMERS
16 ADMINISTRATION CORPORATION,
17 AND PGGM VERMOGENSBEHEER B.V.

**UA LOCAL 32 OF PLUMBERS AND
PIPEFITTERS COMMENTS
REGARDING PSE'S APPLICATION
TO SELL NON-CONTROLLING
INTEREST IN PUGET HOLDINGS LLC**

18 FOR AN ORDER AUTHORIZING
19 PROPOSED SALES OF INDIRECT
20 INTERESTS IN PUGET SOUND ENERGY

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1. United Association Local 32 of Plumbers and Pipefitters (“Local 32”) submits these comments in response to the Commission’s *Notice of Opportunity to File Written Comments*, dated September 21, 2018. Local 32 appreciates the opportunity to expand further on its concerns as expressed in the previously filed *Petition to Intervene*, dated September 20, 2018. Local 32 strongly believes that further process is necessary to evaluate the proposed transfer and its effect on the public.

1 2. Local 32 has been committed to improving the lives of working men and women
2 in the pipe trades for over 129 years. Local 32 members work in various crafts including:
3 plumbers, pipefitters, HVAC, and gas distribution. Local 32, in partnership, with United
4 Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry, Local 26
5 (“Local 26”) represents over 260 full-time, part-time, and temporary employees at Puget Sound
6 Energy (“PSE”), including pressure control technicians, inspectors, CFS techs, dispatchers, gas
7 workers, utility workers, gas storage technicians, gas fitters, and many others. In addition to
8 PSE employees, Local 32 also represents over 150 members who perform gas distribution and
9 mainline work for PSE subcontractors.

10 3. Local 32, Local 26, and PSE’s collective bargaining agreement (“CBA”) provides
11 that the “Company and the Union share a common interest in developing a flexible and skilled
12 workforce” and “that the public is entitled to receive safe, adequate and convenient service at
13 reasonable rates.” It is with this common interest that Local 32 submits the following
14 comments to address its members’ concerns. These concerns necessarily impact the public’s
15 needs for safe and reliable gas distribution.
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17 4. The proposed transfer of PSE’s ownership will have a direct effect upon Local 32
18 and Local 26’s members whose quality of work depends on their health, safety, and job
19 satisfaction. Accordingly, the work by Local 32’s members will have a downstream effect on
20 PSE’s 825,000 natural gas customers who expect the highest level of customer satisfaction
21 regarding their natural gas needs. As a result, Local 32’s concerns about their employment
22 directly affect the public interest.

23 5. PSE’s natural gas system has mirrored the growth of the Puget Sound region over
24 the last few years. Currently, about 150 Local 32 members work for various subcontractors
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1 who perform gas distribution and mainline work for PSE. Their duties include installing new
2 main line piping, new service lines, and other natural gas equipment. Local 32 and Local 26
3 members working at PSE perform repair and/or replacement of meters on a property, turning
4 the service on or off, responding to odor calls, repairing gas line breaks, and ensuring the
5 maintenance of the gas system. Local 32 members also work on pressure regulation equipment,
6 monitor and install cathodic protection, and operate gas storage and injection facilities. The
7 CBA contains over twenty job classifications – many with multiple skill levels.

8 6. The work done by Local 32 members requires specialized training to respond to
9 “gas odor” calls, “broken and blowing” situations, and other emergencies. Local 32 and PSE
10 have agreed upon numerous changes to the CBA to accommodate training and staffing
11 requirements. This has led to certain training models being modified. Local 32 understands the
12 requirements and working conditions for the industry and recognizes the importance of having
13 well-trained members conducting gas work for the benefit of PSE’s customers and the general
14 public.
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16 7. Local 32 works cooperatively with PSE to maintain its specialized workforce. As
17 an example, during the last collective bargaining negotiation, the entry level Gas Worker-Pool
18 Worker position was created. This entry level position is preceded by four comprehensive
19 phases of Gas Worker training. This career program is illustrative of the many career
20 opportunities that provide work for Local 32 members throughout their entire careers.

21 8. Demand for workers, including Local 32 and Local 26 members, has increased
22 dramatically as a result of the burgeoning number of new gas customers and gas infrastructure.
23 Because of this increased demand, Local 32 has an interest in improving staffing levels to meet
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1 this demand, and the Union has agreed to changes that would improve recruitment, training, and
2 career advancement of Local 32 members to assist PSE in running the utility.

3 9. The safe operation of a gas system does not comport with a transient work force.
4 As to be expected, Union members will age and retire from PSE after many long years of work.
5 To maintain the high level of customer satisfaction and consistency that PSE requires, Local 32
6 and Local 26 share an interest in preserving competitive medical and retirement benefits for
7 their members over their career. During the last two contract negotiations, employee benefits
8 have been reduced, to the detriment of Local 32 and Local 26's workers' health and job
9 satisfaction. Local 32 is now concerned that the proposed transfer will continue to erode
10 member benefits and wages. Such actions will deteriorate the quality of life for these essential
11 gas workers. Employees working in this specialized field who face growing expectations and
12 pressure require a proportionate amount of benefits and wages to ensure their job satisfaction.
13 Local 32 hopes to prevent any further erosion of employee benefits during the transfer, and
14 strives to retain competitive benefits for the Puget Sound Region. Local 32's substantial
15 interest in preserving its members' benefits has an attendant effect on PSE's customers. Without
16 a consistent and satisfied workforce, PSE cannot maintain its critical gas system.

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18 10. Because of the proposed transfer, Local 32 and Local 26 are jointly concerned
19 about preserving their work. Local 32 is aware that the Washington and Northern Idaho District
20 Council of Laborers ("Laborers") have sought to intervene. In an unrelated, but similar matter,
21 the Laborers intervened with the purpose of increasing their work and to change the scope of
22 work performed by subcontractors. Local 32 is concerned the Laborers are attempting to do the
23 same here. This intervention is highly inappropriate as Local 32 and Local 26 members,
24 including PSE employees, are currently and have historically been contracted by PSE to
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1 perform gas work. Unlike Local 32, the Laborers lack a direct relationship with PSE because
2 their members are hired by subcontractors, not directly by PSE. To the extent the Laborers seek
3 to increase their share of the available work with PSE by intervening in this matter, Local 32
4 asserts that this is the wrong forum. Local 32, Local 26, and PSE's CBA is effective through
5 September 2021, thereby committing PSE to maintain the status quo regarding its distribution of
6 work to Local 32 and Local 26 members. Local 32 is interested in ensuring PSE's contracted
7 work continues to be performed by our members. The Commission should therefore disregard
8 any claimed interest Laborers or any other non-signatory labor union may have in the current
9 matter.

10 11. Local 32 members are a dedicated and highly trained workforce that has a strong
11 interest in continuing to do gas system work for PSE in the future. These members are taught to
12 perform the work safely, which benefits the public. Local 32's substantial interest in PSE's
13 Joint Application stems from its concern that member job security, benefits, job satisfaction,
14 and assignment of work could be negatively impacted from the purchase. It is imperative that
15 these benefits remain competitive to ensure the public that their interest in safe, high-quality gas
16 distribution, will be satisfied.

17 12. The Commission must be confident before granting transfer approval that such an
18 action will not harm PSE's workers and the public. Given how workers are treated and paid
19 directly affects their work, the Commission should consider Local 32 and Local 26's concerns.

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1 DATED this 24th day of October, 2018.

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