

Exhibit No. DH-1T
Docket UE-170970
Witness: David Hawkins

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-170970

TESTIMONY OF

DAVID HAWKINS

WASHINGTON AND NORTHERN IDAHO DISTRICT COUNCIL OF LABORERS

April 10, 2018

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I. INTRODUCTION AND SUMMARY

Q: State your name, affiliation, and address.

A: David Hawkins, Washington and Northern Idaho District Council of Laborers (“WNIDCL”), 2423 S. Sonora Drive, Spokane Valley, WA 99037.

Q: Please summarize your relevant background and professional expertise.

A: I am the Assistant business manager for WNIDCL, a role I have held since January 2018. My job responsibilities involve assisting the locals that comprise the District Council, primarily those based in Eastern Washington—Locals 348 and 238. The assistance I provide includes negotiating agreements between WNIDCL and construction contractors, and advising on topics such as collective bargaining, processing grievances, and work jurisdictional issues.

I am also the chairman of the Washington and Northern Idaho Pension Trust, and a trustee representing labor on the Northwest Labor and Employment Training Trust (“Training Trust” or “NWLETT”).

Immediately prior to January 2018, I served for eight years as the Business Manager and Financial Secretary for Laborers Local 238. My job responsibilities in that position included ensuring that the Local’s members were working under fair and safe working conditions. I performed duties such as adjusting grievances, interacting with contractors, engaging in new organizing campaigns, and visiting job sites to check on safety and working conditions. Prior to 2010, I was a field representative for Local 238 for four years, beginning in approximately 2006.

Before that, I was a Laborer and a member of Local 238. I performed work on natural gas pipelines, including installing mainline pipelines. Most of my work as a Laborer

1 was for Garco Construction on their concrete crew as a general Laborer. I held this position
2 for approximately 13 years. I also worked on various other construction projects, including
3 helping to build schools, memorials, and other structures.

4 **Q: Please summarize your testimony.**

5 **A:** The purpose of my testimony is to explain why the provisions of the proposed
6 settlement that address the continued use by the merged company of qualified contractor
7 employees are in the public interest. I will do so by addressing three main topics.

8 First, I will describe the critical role played by contractor employees in the
9 performance of construction operations on the Avista system.

10 Second, I will explain why it is essential to system safety and reliability that only
11 properly trained and experienced contractor employees perform work on the Avista system.

12 Third, I will discuss the terms of the proposed settlement relating to contract labor
13 issues and training, which ensure that, post-merger, Avista continues to utilize only properly
14 trained and experienced contractor employees in performing utility operations. The proposed
15 settlement deals with this issue both by confirming Avista's obligation, post-merger, to use
16 trained personnel, and through provisions intended to address the looming potential shortage
17 in the availability of such personnel.

18 While I believe that these conditions are necessary to ensure safe and reliable
19 operations at Avista, I do not believe that their adoption will involve significant changes in
20 existing Avista operations. The proposed settlement is instead intended to ensure that Avista
21 continues its practice of utilizing properly trained and qualified contractor personnel post-
22 merger.

23

II. Overview of Avista's Operations and Reliance on Contractors

Q: Please describe the extent of Avista's use of outside, contractor employees in the conduct of its operations.

A: Avista's use of contractor employees to conduct utility operations is extensive. Avista has explained that it relies upon contractors to "complete the majority of its Aldyl-A replacement using contract crews and equipment." Exh. DH-3 (Avista's Two-Year Plan, June 1, 2017), p. 4. The Aldyl-A replacement efforts involve replacement of leak-prone early vintage Aldyl-A pipe, and planned investment of \$2 million per year in relation to the Aldyl A natural gas pipe replacement program. Exh. DH-3 (Avista's Two-Year Plan, June 1, 2017), p. 12.

Avista has explained that this work is being performed by contractor employees because "this effort is specialized, is subject to seasonal constraints, is additive to the normal workload and staffing levels associated with the Company's ongoing natural gas operations." *Id.* See also Exh. DH-2 (Avista's Two Year Plan in Case No. UG-120715, 2013-2015), p. 3 ("Avista has completed the majority of its Aldyl A replacement work using contract crews and equipment, since this effort is additive to the normal workload and staffing levels associated with the Company's ongoing natural gas operations.").

Avista currently relies primarily on Northern Pipeline Construction Company ("NPL") to perform its Aldyl-A pipeline replacement. Exh. DH-2 (Avista's Two Year Plan in Case No. UG-120715, 2013-2015), p. 4. Avista entered into a five-year contract with NPL in 2013.

The proposed Settlement Agreement contains provisions to ensure the continued availability to Avista of experienced, well-trained contractor employees to work on these

1 important projects. The terms of the proposed Settlement associated with contractor
2 workforce development plans will help control costs, ensure efficient and quality
3 construction standards, and maximize safe and reliable operations.

4 Avista also relies upon contractors to carry out work on capital construction projects,
5 such as building or maintaining dams. For instance, Avista has used Max J. Kuney to
6 conduct work on Post Falls Dam in 2014 and 2015, which involved demolition of the south
7 channel and replacing all six gates on the dam. It also used Max J. Kuney to do work on
8 Nine Mile Dam from about 2014 – 2016, upgrading two generator units. Members of the
9 Laborers performed work for Kuney on both of these projects. Avista also uses contractors
10 to perform work on windmills and turbines, such as replacing the power houses used to
11 generate power at dams. It also uses contractors, such as Garco, to perform miscellaneous
12 work, such as building a new Avista maintenance facility downtown in Spokane and other
13 structures, with Laborers performing work on such projects. Avista also generally utilizes
14 contractors when work on the system necessitates the use of traffic flaggers. Avista
15 typically uses Spokane Traffic Control when flagging is needed on the gas side, and North
16 Star Enterprise for work on the electric side. WNIDCL represents workers at both of those
17 contractors.

18 **III. Safety and Reliability Issues Related to Contracted Labor**

19 **Q: What safety risks exist for Laborers performing work related to natural gas**
20 **transmission and distribution pipeline?**

21 **A:** Working on natural gas facilities poses many significant risks, both to individual
22 worker safety and overall system reliability. Working with natural gas is extremely
23 dangerous and, when installing or maintaining gas lines, it is critical to minimize the risk of

1 line ruptures or punctures, which can cause accidental ignition or explosion. Even absent
2 ignition, the high pressure in the pipes could cause life-threatening damage if there were a
3 rupture. Laborers perform the work of digging out a line when it is necessary to access the
4 line for repair, maintenance, or replacement. While operators using mechanized equipment
5 dig up the area of within two feet of an existing transmission lines, Laborers dig the rest by
6 hand. Given the risks associated risks, this job requires painstaking accuracy.

7 Along with rupture, ignition risks, there are concerns when trenching about the
8 potential for “cave ins.” This can happen when laborers or welders are in the ditch or if
9 laborers or welders are walking along the ditch above ground along the edge of the ditch. To
10 minimize this risk, laborers employ safeguards, such as using creating shielding or shoring
11 around a trench. Any trench that is four feet or deeper must be “boxed in,” which refers to
12 installing a steel box around the edge of the trench for support to ensure it won’t fall in.
13 Any trench that is more than two feet deep must also have a ladder to assist Laborers in
14 entering and exiting the trench.

15 There are also risks associated with working in extreme climates, as Laborers are
16 frequently required to do. Terrain can really affect these risks. For example, if a Laborer is
17 tailing in some pipe and they fall down because of uneven ground, they can be badly injured
18 or worse. Laborers must constantly be aware of their surroundings, and these concerns may
19 be heightened when working in poor weather conditions.

20 Working with and directing heavy equipment and machinery presents other safety
21 risks. Laborers are responsible for acting as the Operator’s eyes because the Operator can’t
22 see everything going on around him. For instance, the Laborer must be alert to unexpected
23 things like a child or dog coming near the heavy machinery, and be prepared to signal the

1 Operator to stop immediately. Laborers must ensure that there are no lines, branches, trees,
2 or other items in the Operator's "360 degree swivel" that could create a problem. Of course,
3 a Laborer must also be alert to the possibility that the Operator could hit a line that had not
4 been located correctly. Acting as the Operator's eyes requires having good communication
5 skills and a well-established relationship of trust with the Operator. The reason that the
6 latter is important is that each party needs to be able to read the other's signals. Accidents
7 are more likely to occur if hand signals are used incorrectly or there is bad communication
8 with the operator, or a Laborer is not anticipating properly what the Operator is going to do.

9 **Q: How does the training and experience of the laborer performing pipeline**
10 **work impact their ability to perform assigned tasks in a safe and responsible manner?**

11 **A:** The training and experience of the people working on a pipeline will have a
12 direct effect on the quality of the work. Using inadequately or improperly trained or
13 inexperienced personnel can result in damage both to the utility and the public. NPL and
14 WNIDCL are vigilant in ensuring that Laborers have been through rigorous and extensive
15 training before they work on the Avista system. WNIDCL-represented Laborers go through
16 extensive training in dig laws, OSHA regulations, the safe operation of equipment, etc.

17 **Q: Does a construction contractor employee's length of tenure have a**
18 **relationship to their ability to perform their job duties safely?**

19 **A:** Yes. In my experience there is a direct relationship among sufficient training,
20 experience on the job, and safe and effective job performance. Natural gas crews work
21 together in a very integrated way. It is important to develop relationships, good
22 communications, and to learn what to expect from each other. A crew that has worked
23 together not only can read each other's hand signals. They've seen (or made) mistakes

1 together, have learned from them together, and will all be working to ensure the same
2 mistake is never repeated. Crews who have been together for a long time have encountered
3 situations together and have shared experience learning how to remedy them by working
4 collectively. I'm aware of some contractors who just throw crews together, or throw new
5 people into the mix, and those people must not only learn job basics, but must also learn
6 from each other at the same time. When you have an experienced crew, there are no steps
7 wasted – that crew will be able to go out there and get the job done safely and efficiently.

8 A Laborer that has been working for a contractor for a long period of time also
9 develops a deep and nuanced understanding of the contractor's equipment (and how to avoid
10 any particular issues with that equipment), the contractor's policies and particular
11 techniques, etc., all of which allow lead to fewer safety incidents.

12 **Q. Are union-signatory contractors more likely than non-Union contractors to**
13 **have experienced personnel in their employ?**

14 **A:** That has been my experience. Union-signatory contractors tend to be able to
15 retain employees for much longer periods and, therefore, have employees with far longer
16 tenures than non-union contractors. One reason is that union-signatory contractors generally
17 offer higher wages and better benefits than non-union contractors. According to data I
18 reviewed from trust reports NPL makes each month on the number of hours worked by
19 Laborer members, Laborers performing work for Avista contractor NPL have been in NPL's
20 employ for an average of four years. When it comes to flagging, which is an industry that
21 tends to have high rates of turnover, the average Laborer working for Spokane Traffic
22 Control has been a Laborer member for almost six years, and the average Laborer working
23 for North Star Enterprises has been a Laborer member for more than six years.

1 replacement and all natural gas work. This will not apply to work performed
2 under contracts already in effect as of March 7, 2018. This agreement will
3 not apply to (a) atmospheric corrosion; (b) locating; and (c) leak survey.
4 This agreement will also not apply to work performed where signatory
5 contractors are not available (unavailability is typically due to locations being
6 in remote areas), or choose not to bid on projects; provided that work
7 performed in such areas will be paid at equivalent wages and benefits.

8 b. On a prospective basis, and for a period of 10 years ending March 7, 2028,
9 Avista will require the use of WNIDCL members for all flagging work,
10 unless otherwise performed by Avista employees represented by IBEW
11 Local 77. This will not apply to work performed under contracts already in
12 effect as of March 7, 2018.

13 c. WNIDCL will provide for signatory contractors laborers that are qualified
14 pursuant to applicable OSHA 1910 regulations and all other applicable
15 training. In addition, WNIDCL will provide WNIDCL members
16 knowledgeable in the DOT Title 49 Code of Federal Regulations, Part 192,
17 and all applicable state pipeline safety regulations. Contractors shall be
18 required to provide proof of compliance with this requirement to Avista.

19 d. On a prospective basis, Avista will require contractors to utilize NWLETT
20 for required training, if applicable courses are offered by NWLETT and are
21 reasonably accessible in the locality where the work is to be performed.

- 1 e. Avista will meet and confer with WNIDCL to discuss possible involvement
2 in all future hydroelectric projects that are within the sphere of WNIDCL's
3 expertise.
- 4 f. Avista will encourage contractors to utilize union labor, including, without
5 limitation and as applicable, members of the Laborers', Pipefitters and
6 Steamfitters, and IBEW, on Avista projects as part of its bidding solicitation
7 process on all other construction work, including but not limited to capital
8 work on hydro facilities, and will evaluate the use of such members in the
9 staffing plans of bidding contractors as an element of Avista's bid evaluation
10 process.
- 11 g. Avista will continue to prioritize the hiring of qualified contractor personnel
12 through the bidding process, by requiring analysis of not only the price
13 proposals submitted by contractors, but a variety of other factors, including
14 minimum staffing requirements as applicable, training programs,
15 documented qualification programs, safety track records, OSHA 300
16 reportables, and other safety records as appropriate. Review of these
17 components is intended to verify that the contractor is able to supply a
18 sufficient workforce to meet Avista's needs, and that their personnel are
19 appropriately trained, qualified and able to safely and reliably perform work
20 for Avista.
- 21 h. Work covered by these commitments does not include work that is
22 customarily performed by Avista employees represented by IBEW Local 77
23 but that is contracted out pursuant to IBEW Local 77's collective bargaining

1 agreement with Avista. It also does not include any work that is performed
2 by Avista employees, regardless of the type of work involved.

3 i. Avista will meet and confer with WNIDCL at least six months prior to
4 March 7, 2028 to discuss extending or modifying the terms set forth herein.

5 **Q: How does the proposed settlement address the safety and reliability issues**
6 **related to contractor personnel you've discussed in your testimony?**

7 **A:** The proposed settlement has two major components that address the issues
8 discussed in my testimony. First, it includes a commitment on the part of Avista, where it
9 contracts out work to performed by Laborers, to utilize contractors whose workers are
10 unionized. Second, the proposed settlement includes a commitment to utilize the Northwest
11 Laborers-Employers Training Trust Fund ("NWLETT"), which offers the highest caliber
12 training for Laborers working in the natural gas industry, as discussed in more detail in Glen
13 Freiberg's testimony.

14 Using contractors whose employees are union-represented provides a wide array of
15 benefits for Avista and its customers, including guaranteeing a steady supply of workers—
16 which allows Avista contractors to increase or decrease personnel as needed—and ensuring
17 that workers deployed to work on Avista's front lines are properly trained and will perform
18 their jobs in accordance with the highest safety standards.

19 **Q: Has this model been implemented by other utilities?**

20 **A:** Yes. Other utilities, including Consolidated Edison, have adopted agreements or
21 procurement policies ensuring that contracted personnel are covered by certain minimum
22 standards. Exh. DH-11 (Consolidated Edison). For instance, Consolidated Edison adopted
23 a procurement policy that requires contractors to pay the prevailing scale of union wages,

1 and to require contractors to utilize only employees who are represented by a union and who
2 are competent and skilled in the work required. *Id.*

3 Additionally, in Ontario, Hydro One has agreements with trade unions to supplement
4 its workforce of directly employees. Joint Application, App. 6, p. 379. These labor
5 agreements provide Hydro One with access to thousands of highly trained and skilled
6 workers. Hydro One further requires that contractors performing work on its system in
7 Ontario must “as a minimum,” “conform to and adhere to” the schedule of wage rates set
8 forth in the various collective bargaining agreements with various trade unions. Exh. DH-9
9 (Hydro One Labour Requirements Clause), p. 3; Exh. DH-10. In practice, this means that
10 Ontario ratepayers already benefit from the same condition that Avista has agreed to as part
11 of the proposed settlement in this proceeding.

12 **Q: Do ratepayers benefit from a highly skilled, well trained, contractor**
13 **workforce?**

14 **A:** Yes. Using a highly trained and skilled contractor workforce ensures that work
15 performed on the Avista system will be done professionally, safely, on-time, and on budget.
16 As I’ve discussed, a skilled, well trained, safe workforce is able to operate more safely and
17 efficiently, and is able to be more productive. A recent study from February 2017 by the
18 McKinsey Global Institute entitled, “Reinventing Construction: A Route to Higher
19 Productivity,” emphasizes the importance of having a highly trained workforce on
20 increasing productivity in the construction industry. Exh. DH-12. That study focused on
21 ways in which the construction industry can close the gap in productivity from which
22 construction sector labor-productivity has suffered compared to productivity growth in the
23 overall economy. In the United States, for instance, the construction sector’s labor

1 productivity is lower now than it was in 1968. *Id.* at 3. “Reskilling the workforce” was one
2 of seven ways identified to improve productivity and address current market failures in the
3 construction industry, concluding that, “Change in the construction sector cannot be
4 achieved without investment in retooling a workforce that is aging and changing its makeup
5 through migration. Construction firms and workers need to continuously reskill and train to
6 use the latest equipment and digital tools.” *Id.* at 16. As discussed in Glen Freiberg’s
7 testimony, training Laborers on the latest equipment and techniques, as well as core skills,
8 and training apprentices is exactly what NWLETT focuses on. This increase in productivity
9 related to the increase in quality training like that offered by NWLETT benefits ratepayers
10 directly. An increase in labor productivity means that higher volumes of work can be
11 performed with the same or fewer resources, which translates into lower costs for ratepayers,
12 a more stable workforce, and higher wages for workers.

13 **Q: Do you believe there is a shortage of qualified contractor personnel?**

14 **A:** Yes. I am well aware from my role with WNIDCL that there is a shortage of
15 qualified construction personnel in Washington. The shortage is particularly acute in Eastern
16 Washington due to the fact that unemployment is only 5.7% in Spokane County, which in
17 my experience is about as low an unemployment rate in that region as has been experienced
18 over at least the past ten years. Exh. DH-8 (U.S. Bureau of Labor Studies report showing
19 the seasonally adjusted employment levels in Spokane County). These low unemployment
20 rates, combined with a construction boom, has caused a shortage of qualified construction
21 personnel here in Washington State. This shortage is precisely the reason that WNIDCL has
22 made it a priority to recruit more skilled Laborers and Laborer apprentices.

23 Additionally, the federal Pipeline and Hazardous Material Safety Administration

1 (“PHMSA”) is currently engaged in rulemaking focused on expanding federal safety
2 regulations. It is possible that those new regulations could impose new requirements and
3 processes on natural gas utilities like Avista, compliance with which could require even
4 more field personnel, exacerbating the shortage of qualified contractor personnel.

5 The shortage of qualified workers is an issue that has direct bearing on Avista’s
6 ability to effectively implement its 20-year plan, making the proposed settlement terms
7 relating to access to a continuous supply of skilled construction workers particularly
8 important. Exh. DH-7 (Comments of Avista Utilities, Docket No. UG-120715 (June 8,
9 2012)), pp. 5-6 (noting limited availability of qualified workers, and that “Local contractors
10 supporting distribution pipeline companies like Avista, are losing qualified workers” to
11 “boom projects.”); p. 6 (“It will be in [Avista’s] interest to ensure these contract crews
12 remain trained and qualified, and have the incentive to continue providing support for
13 [Avista’s] major gas-replacement programs.”); Exh. DH-2 (Avista’s Two Year Plan in Case
14 No. UG-120715, 2013-2015), p. 3 (observing that, “securing qualified contract crews for
15 such a large, diverse, and long-term project has been a challenge. This is due in part to the
16 national demand for skilled craft labor and equipment driven by similar-type pipe
17 replacement programs, and the significant demands created by shale oil and natural gas
18 exploration and production.”).

19 **Q: How do the terms of the Settlement help to address the shortage of qualified**
20 **contractor personnel?**

21 **A:** The terms of the proposed settlement address the shortage of qualified contractor
22 personnel in several ways and help minimize the likelihood that Avista will have a
23 dependable supply of contract laborers to perform work on the Avista system. WNIDCL

1 represents approximately 70-75 members who are “OQ” qualified (“OQ” means Operator
2 Qualification and refers to a U.S. Department of Transportation requirement for employees
3 performing work on a natural gas system). WNIDCL also has over 350 members who hold
4 a flagging card and who stand ready to perform flagging work for Avista contractors such as
5 Spokane Traffic Control and North Star Enterprise. This gives union contractors like NPL
6 and Spokane Traffic Control a real advantage in an economy in which there is a severe
7 shortage of skilled construction contractor personnel. Moreover, the quality of the
8 workforce that WNIDCL is able to recruit is higher than that of a non-union contractor.
9 With the construction boom, there are plenty of jobs for Laborers. They will pick the jobs
10 that provide them with the best safety conditions, a pension, benefits for their family, and a
11 living wage. These things attract workers and create a high quality “bench” of skilled
12 Laborers who we can then dispatch to contractors working on the Avista system.

13 The Union’s hiring hall stands ready to dispatch as many Laborers as a contractor
14 needs, allowing Avista to maintain its flexibility and reliance on contracted out labor. Union
15 signatory contractors have a real advantage when it comes to being able to recruit an
16 adequate supply of trained and experienced Laborers because they have ready access to a
17 steady supply of labor. Signatory Contractors can call the hall of a Local Union to request a
18 certain number of Laborers, specifying any skills needed for a particular job. The Local
19 Union can dispatch members from its out of work list. If the Local does not have a sufficient
20 number of members to meet a particular need, it may reach out to another Laborers local to
21 see if any of that Local’s members are able to be dispatched to meet the contractor’s needs.
22 The Local union in Spokane could even reach out to locals with members in Idaho, Reno,
23 and Las Vegas if necessary. In this way, the Union is able to help contractors “flex up”

1 when necessary to meet Avista's needs.

2 Additionally, if a contractor needs more Laborers or Laborers with a specific skill
3 than a local union can supply, the Union can also get in touch with the Northwest Labor
4 Employer Cooperation and Education Team ("NW LECET") to get help recruit more
5 journeyman Laborers with the particular skills that a contractor needs. NW LECET is a
6 nonprofit organization that focuses on research, training, education, marketing and
7 recruitment of Skilled Laborers. NW LECET spends approximately \$600,000 annually in
8 the Northwest Region, including Washington, focused on recruiting Skilled Laborers. A
9 local union can contact NW LECET to request help recruit workers with the specific skills
10 needed. For instance, if a Signatory Contractor called a Local's office to request a certain
11 number of Pipelayers or Hod carriers, the Local could contact NW LECET to obtain
12 assistance in recruiting the requisite number of laborers with that skill. NW LECET runs a
13 vigorous recruitment program that relies heavily on social media to reach skilled Laborers
14 interested in pursuing a career in the construction industry. It can take steps such as creating
15 targeted Facebook advertisements targeted to those who most likely possess the requisite
16 skills (e.g. Hod carrying, traffic control, concrete work). NW LECET also recruits Laborers
17 to aid signatory contractors using mediums like radio advertisements and advertisements on
18 Pandora and Twitter. In 2017, in the Spokane area alone, NW LECET spent over \$10,000
19 on a Worker Recruitment Campaign, focused on Facebook advertisements, and recruited
20 225 applicants to Laborers Local 238.

21 WNIDCL is also involved in recruiting Laborer apprentices to participate in the
22 NWLETT apprenticeship program. This is a priority for the Union because we have an
23 interest in ensuring that the next generation of Laborers is in place and ready to work for our

1 contractors. The average age of Laborers performing work for Avista contractor NPL is 34
2 years old and the Laborers have supplied NPL with thirteen Laborer apprentices in the past
3 12 months. Spokane Traffic Control has utilized 13 Laborer apprentices in the past 12
4 months, and North Star Enterprises has employed 15 Laborer apprentices in the past 12
5 months. Through WNIDCL's ongoing recruitment efforts, and involvement in training and
6 supplying Laborer apprentices, WNIDCL is helping to ensure that the next generation of
7 natural gas construction Laborers will be able to supply labor to work on the Avista system
8 as needed.

9 **Q: How else do the proposed settlement terms dealing with contract labor**
10 **benefit ratepayers?**

11 **A:** Another way in which the settlement's contract labor terms would benefit
12 ratepayers is through increased transparency into Avista's capital expenditures. Avista
13 currently does not track the total labor hours or the particular number of contractor
14 employees working on maintenance, capital, reliability, or other projects. See Avista
15 Response to WNIDCL Data Request 5 (attached as Exh. DH-4). This lack of tracking
16 makes it difficult to determine whether ratepayers are benefiting from good (or being hurt by
17 poor) labor productivity rates. In contrast, rate payers in Canada can readily see exactly how
18 much Hydro One will pay in contracted labor thanks to an easily accessible schedule of
19 wages that Hydro One links to on its website. See Hydro One's Labour Standards, available
20 at <https://www.hydroone.com/about/suppliers/labour-requirements>, attached as Exh. DH-5.

21 Better transparency in the contracted workforce is an issue that other State
22 Commissions have looked at. For example, the New York State Public Service Commission
23 recently concluded a staffing audit of all regulated utilities. The Commission hired a

1 consultant that made recommendations to each utility and staffing audits specifically looked
2 at the role of the contracted workforce as part of overall staffing levels, and the ability to
3 evaluate unit cost comparisons for in-house employees versus contractors. The New York
4 Commission issued an order on December 14, 2017 that accepted the utilities'
5 implementation plans to make recommended changes. Exh. DH-13 (NY PSC Case No. 13-
6 01886 "In the Matter of Focused Operations Audit of the Internal Staffing Levels and the
7 Use of Contractors for Selected Core Utility Functions at Major New York Energy
8 Utilities.").

9 **Q: Does that conclude your testimony?**

10 **A:** Yes.