



International Brotherhood Electrical Workers

Local #1837 Utility / Broadcasting

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Brief from IBEW Local Union #1837 on DE 14-238, Determination Regarding PSNH's Generating Assets December 5, 2014

The International Brotherhood of Electrical Workers represents 700,000 workers in the electrical industry throughout the United States and Canada. IBEW Local Union #1837 is the collective bargaining representative for 1,600 workers in New Hampshire and Maine, with approximately 700 of them employed in the Granite State.

IBEW 1837 currently represents 173 of the workers employed at the generating assets of Public Service Company of New Hampshire. Another 110 people are employed by the company in non-represented positions. Together, we estimate that salary and benefits bring more than \$30 million into the state each year.

Although we can only officially speak on behalf of our members, our concerns about the potential effects of divestiture extend to those other PSNH employees as well.

We know that other parties will be taking great care to describe and discuss the tremendous benefit of having a stable provider of electricity such as PSNH to help prevent some of the huge increases in costs being borne by many ratepayers. In Maine and elsewhere, ratepayers are bracing themselves for “sticker shock” in 2015 as rates are expected to rise sharply or nearly double. Significant swings in electricity rates resulting from an overreliance on natural gas may continue for the foreseeable future in unregulated electricity markets. Once the plants are divested, nobody will have an obligation to serve the customer with the generation of electricity.

The interests of the ratepayers extend beyond their personal utility bills to the impact of any New Hampshire Public Utilities Commission ruling on other residents of the state – including these employees.

The elected representatives of the people of New Hampshire confirmed their recognition of the potential for divestiture to negatively affect PSNH employees when they amended “AN ACT relative to the divestiture of PSNH assets” in the Senate Energy and Natural Resources Committee. The amended House Bill 1602 was later passed overwhelmingly by both the House and Senate and signed into law by Gov. Maggie Hassan.

PSNH employees have invested many years serving the people of the state while employed by the utility. These workers enjoy good-paying, middle class jobs that could permanently vanish if the facilities are closed. There are few if any comparable jobs for these workers within New Hampshire.

In the event that divestiture of generating assets is ordered, it is unlikely that a buyer or buyers would be found for all of them. It will be difficult or impossible for most of those workers to find jobs with comparable pay, health insurance or retirement benefits. Termination and unemployment benefits will be quickly exhausted. Many of these highly skilled men and women will be forced to leave the state in search of other opportunities.

Closure of generation assets will also have devastating impacts on neighboring communities and the businesses that serve them.

Closure will substantially lower the value of those properties, and hence, lead to substantial losses in tax revenues for the communities where they are located. This obviously will impact a broad range of municipal services including public safety, public education and infrastructure maintenance.

The negative ripple effect to local businesses will also be substantial and long-lasting. Most suppliers, vendors and contactors will see significant losses of income and potential losses of employees if they are able to survive. Others will be forced out of business. Local convenience stores, restaurants and other providers of goods and services will also be affected.

The losses will extend beyond the asset host communities to surrounding areas.

In the event that PSNH is able to find a buyer for their assets, we still have legitimate concerns about whether all or even the majority of the current employees will be retained. Those fortunate enough to remain employed are not assured that the terms and conditions of their employment will continue to be the same. In fact, we anticipate a precipitous decline in the quality and quantity of the pay and benefits to employees with a prospective future owner.

One need look no further than the struggles of employees of FairPoint Communications to see a likely scenario if PSNH is forced to sell to a buyer whose sole motivation will be deriving the maximum possible profit margins for the owner and/or shareholders. Every possible effort will be made to slash costs with personnel costs being among the largest and easiest targets. Cuts in wages and benefits are likely with the ensuing ripple effects extending into New Hampshire communities.

Much has been said about the “stranded costs” to ratepayers if PSNH is forced to divest their generation assets. We maintain that there are nearly 300 PSNH employees and their families who will also have stranded costs of their own – costs that should be considered during any deliberations about divestiture and compensated accordingly if divestiture is ordered by the New Hampshire Public Utilities Commission.

IBEW Local Union #1837 members and the other employees of PSNH’s generation assets stand ready to continue operating and maintaining those facilities. They take pride in their work and hope to continue to help PSNH to supply the generating capacity that benefits ratepayers and the State of New Hampshire.

For more information, please contact IBEW Local Union #1837 Assistant Business Manager Tom Ryan at 603-743-1652.