

Society Newscast 2004:12

This is the Society Newscast for Friday, March 18, 2005



Hydro One Local seeks strike mandate

The Society's Hydro One local is asking its members for a strike mandate, in the Society's first strike vote in one of Ontario Hydro's successor corporations.

"Society members must demonstrate our solidarity and gain the respect of the employer," said Local Vice President **Keith Rattai**. "We must also ensure that Hydro One is able to attract and retain the qualified young energy professionals who are essential if the company is to serve the future electricity delivery needs of Ontarians."

The vote will be held in a series of meetings taking place over seven days from March 17th, and ballots will be counted on March 23rd. Results will be announced in a NewsFLASH, likely the next day.

The Hydro One local's two-party negotiations ended in late February. The Local applied for conciliation (see *Newscast* 2004:11), and lifted the bargaining "blackout" in which the Local and its management usually conduct negotiations. The "blackout" constrained both sides from divulging the details of discussions.

Many Hydro One members were shocked to learn that management still has the following concessions on the table:

- ◆ An increase in weekly base hours from 35 to 40—with no additional compensation
- ◆ A 14.2 per cent reduction in base hourly rate
- ◆ 0.0 per cent salary increase
- ◆ no health benefit or pension improvements



Hydro One Local VP Keith Rattai

- ◆ 10 per cent reduction in wage schedules and major cuts in pensions and benefits for future employees
- ◆ no seniority protection in downsizings
- ◆ elimination of most protection against contracting out

"Hydro One's doing very well," said Rattai, "and there's no good reason to come after us for concessions."

In February, Hydro One settled a collective agreement—still tentative—with the PWU in two-party bargaining. The PWU says the settlement contained no concessions.

On March 1st, Hydro One CEO Tom Parkinson's 35 per cent raise in 2004 became public knowledge, as his 2004 salary topped \$1.475 million (compared to \$1.09 million in 2003). A Society poster has spread through Hydro One workplaces, contrasting the fairness and consideration shown Mr. Parkinson with the "fairness" displayed at the bargaining table to the employees responsible for his success.

The Hydro One vote is being watched closely in the other Society locals. **Olaf Heilandt**, Vice President of the OPGN Local, says, "All our energies in the Society should turn to supporting the Hydro One members. We've got the same shareholder—that's where the danger signals come up. I'm alerting all my membership to what's happening there, waking everyone up to how serious this is."

Until the current round of bargaining, the Hydro One local was, like all other Ontario Hydro successor locals, covered by a mediation-arbitration agreement. Hydro One management rescinded the mediation/arbitration agreement in 2003 (see NewsFLASH 2002:04).

The Hydro One local and Hydro One management are scheduled to be in conciliation with the provincial government on March 29th.

The first Society strike vote was taken in 2001 by the Toronto Hydro local of professional engineers. It passed by 100 per cent.

Executive Board highlights: March 1, 2005

The Society Executive Board met on Tuesday, March 1st. The meeting opened with reports from bargaining.

New Horizon: Local Vice President **Joe Sarick** reported that bargaining had at best been tense. The two parties have reached a point of impasse, and the agreement will go to mediation/arbitration for the

second year in a row. The employer wanted the right to make unilateral decisions in the deployment of Society staff between Inergi and New Horizon. The Society was prepared to negotiate, but management would not compromise, and walked away from the bargaining table.

Hydro One: Three week-long sessions of two-party bargaining had failed to resolve major issues, reported Local Vice President Keith Rattai, and so the Local had applied for conciliation. The coordinating team is implementing its strategic plan for putting pressure on the employer to change its stance and bargain seriously, while at the same time mobilizing members, asking members for a strike mandate, and preparing for a strike if necessary. What management has on the table currently is mostly concessions.

Board members discussed the importance of supporting the Hydro One local in every way possible. All took "fairness for energy professionals" buttons to pass out to their members. Board members were asked to attend Hydro One meetings whenever possible. The Board then passed two motions to move the Local forward:

- ◆ A motion authorizing all locals to determine their procedures for conducting votes to ratify negotiated collective agreements and strike authorizations (n.b. these votes are not "membership referenda," as by law employees who are not members are allowed to vote
- ◆ A motion authorizing the Hydro One Local to conduct a vote to authorize the Local bargaining team to call a strike, if necessary

The Board also heard reports on the signing of a servicing agreement with the Society of Professional Engineers and Associates (see article, below) and the government's recent announcement regarding pricing for OPG-generated electricity (see *Newscast* 2004:11).

Budget: Vice President **Bill Jones** presented the Board with a list of items that need to be decided before the budget can be finalized. A draft budget will be placed before the Board at its April meeting.

Success 2005 spreading

Society and SPEA sign servicing agreement

In an historic development, the Society has signed a servicing agreement with the Society of Professional Engineers and Associates (SPEA) of Atomic Energy of Canada, Ltd.

"This is just great!" said Society President **Andrew Müller**. "Both our Societies will gain from closer collaboration; we've got a lot to learn from each other."



Society and SPEA officials celebrated their new affiliation by attending the Canadian Nuclear Association's seminar together on March 11th. Present were (l to r) Brian Smith, Paul Hnatiuk, and Peter White from SPEA, and Andrew Müller, Rod Sheppard, and Bill Jones from the Society.

"I see the benefits of us being able to tackle the industry together as a whole," says Peter White, SPEA President. "We are a unique industry in this country, and the players are all very close-knit."

SPEA represents engineers and scientists employed by AECL.

In return for a payment amounting to the cost of a full-time staff officer, the Society will assist SPEA with:

- ◆ Internal organizing to prepare for bargaining
- ◆ Development and implementation of a comprehensive bargaining strategy
- ◆ Training for SPEA's negotiating team

- ◆ Professional negotiators for the SPEA bargaining team
- ◆ Communications and media relations
- ◆ Processing and expediting grievances

The effort is aimed at SPEA's next round of bargaining. At the end of the servicing agreement, at which time a new contract will likely have been reached successfully, SPEA members will vote on whether to enter into talks on affiliation.

SPEA has a long history of member volunteers conducting bargaining, and more experience than the Society in conducting strikes. In preparing for their current round of bargaining, the Society's Hydro One local contacted SPEA for advice in strike organizing. SPEA leaders became interested in the sophisticated "Success 2005" communication networks being developed by the Hydro One team for its bargaining efforts, especially the interest in organizing to avoid a strike.

"With better organization, we will be able to attack those issues which are most at the forefront of our members' minds," said White.

When SPEA leaders decided they needed a campaign similar to the Hydro One local's, the two parties began to discuss the possibility of a servicing agreement—the Society would provide a full range of services to SPEA, and help to develop the communication networks that would lead to a successful bargaining campaign. Committee building and leadership development were the key priorities.

The idea was first presented to the SPEA executive, who after some discussion voted to accept it. It was then presented to the SPEA coordinating committee—a body with wider membership than the Executive—who then organized among the members, and promoted attendance at the membership meeting called to ratify the agreement. On February 24th, in what was described as an "historically high turnout," SPEA members met and approved the agreement by 82 per cent.

"We should have done this ten years ago," commented SPEA member Abdul Tahir at the meeting.

SPEA and the Society will be working together over the next few months to set up a bargaining plan for the fall.

Society: OEB price plan setting up consumers for more punishment

The new electricity pricing plan appears designed to set consumers up for coming high prices, says Society President Andrew Müller.

"The Ontario Energy Board has done a good job of putting the government's goals into numbers," he said, "but the government's goal is the wrong one. Energy Minister Dwight Duncan should focus on reducing what consumers pay for electricity, not gouging consumers for the high-cost electricity his policies are designed to attract to Ontario."

The OEB's price scheme will charge 5.0 cents per kilowatt hour for the first 600 kilowatt hours used during the April to November period, and 5.8 for any kilowatt hours in addition to the first 600. The cutoff for the November to April period is 1,000 kwh.

"Over 60 per cent of prices are regulated at 4.7 cents per kilowatt hour or under," says Müller. "In fact, more prices will be regulated than last year," says Müller. "And last year's prices were too high, triggering a refund."

Müller's point was buttressed—perhaps unintentionally—in an announcement welcoming the new prices by the Chair of the Electricity Distributors Association, Robert Mace:

[The new price plan] represents another step forward in the continuing reform of Ontario's electricity system and brings us closer to paying the true cost of electricity which is an essential element to the future sustainability and reliability of the province's electricity industry.

Müller also said he's "astonished" at the prices set for the use of power during peak periods under the "smart meter" plan: 9.3 cents per kilowatt hour. "This is pretty tough punishment for consumers—especially poor ones—who can't change the time of day they heat their residences and cook their dinners. Consumers will be ripping their smart meters off the walls."

Society to Minister: Ignore proposed customer grab

The Society has written to the Minister of Energy suggesting he do the right thing with a proposal that six large municipal utilities be given hundreds of thousands of Hydro One's customers: ignore it.

"This proposal is inconsistent with the Ministry's own approach," wrote Society President Andrew Müller. "For the 'Coalition' to have made such a proposal at this time is, at the very least, mischievous."

The Toronto Star reported on March 3rd, that a "Coalition of Large Utilities"—Toronto Hydro, Enersource (Mississauga), Hydro Ottawa, PowerStream (York Region), Hamilton Utilities, and Veridian (eastern GTA)—had proposed to Energy Minister Dwight Duncan that he give them 400,000 customers in their vicinities currently served by Hydro One.

They added that Hydro One's "core competency" lies in operating long-distance, high voltage transmission lines, not low-voltage wires. "[Hydro One] are not best suited to serve urban customers."

The Energy Ministry set out its approach to utility consolidation in a discussion paper last December, and the consultations addressing that paper are not complete. A core principle in the paper is that all such consolidations should be voluntary.

Hydro One CEO Tom Parkinson angrily denounced the Coalition's proposal, describing it as a "hostile attack."

Power Workers Union President Don MacKinnon also condemned it, calling it "disruptive" to current discussions on transmission and distribution reform.

Canadian Nuclear Association: "This will be the year"

A palpable optimism filled the room at a seminar of the Canadian Nuclear Association (CNA) held March 11th.

While that optimism was expressed adequately by the theme of the seminar—The Nuclear Renaissance: Powering up—it was *best* expressed by CNA Chair Duncan Hawthorne, who told those attending:

I firmly believe that this is the year. I can promise you I will not be here next year saying, 'Just another year,' because it really is in the next several months that some crucial decisions are going to be made—for better or worse—about the long-term role of nuclear power... We will either be looking to a future that sees our industry revitalised far beyond 2018, or we will see a slow decline as our plants retire at end of life to be replaced by some alternative fuel source. I am optimistic about the outcome of these decisions as we face the year ahead. It is a good time to be Chair of the CNA.

Players in the nuclear industry believe the tide is beginning to turn, that public opinion in a world governed by the Kyoto Accord will turn in favour of nuclear power over the use of fossil fuels. To underscore their point, seminar leaders played a video of James Lovelock, internationally known creator of the Gaia Theory—the earth and its environments as a living, self-regulating organism—in which he endorsed the use of nuclear power. (He had been intending to appear in person, but illness prevented it.)

While environmentalists are well-intentioned, he said, they have made many mistakes, especially when pursuing human interests over those of the earth itself. "By ignoring the Earth, we Greens have made appalling errors," he said. Greens who oppose nuclear power in favour of "renewable" energy are mistaken.



*Participants in a Canadian Nuclear Association seminar are addressed in a video presentation by renowned British environmentalist James Lovelock. Illness prevented him from attending in person. An edited version of his talk appeared in the *Globe and Mail* the same day.*

Alternative medicine has its place, and when we are healthy it is good to avoid strong drugs for minor ailments, and many find relief in acupuncture or homeopathy. But when we are seriously ill we need something stronger. Now that we have made the Earth sick, it will not be cured by alternative green remedies, like wind turbines and bio fuels alone. This is why I recommend instead the appropriate medicine of nuclear energy as part of a sensible portfolio of energy sources.

Canada's federal Minister of Natural Resources, John Efford, told participants he agreed that a nuclear renaissance was in the offing. He said eight in ten Canadians believe nuclear power will be part of Canada's future energy mix, and the federal government has every intention of continuing its relationship with Atomic Energy of Canada, Ltd.

Many of the presentations—including the video of Prof. Lovelock—can be found on the CNA website.

Carr: OPA "transitional"

The Ontario Power Authority is a "transitional entity" that will eventually give way to a "mature, competitive" market, says its new CEO, Jan Carr.

In a speech to the Toronto Board of Trade, Mr. Carr said that in order to attract new generation investment customers will have to assume some risk. "[W]hat we are effectively doing is transferring risk away from investors and putting it onto customers."

The risks will then eventually be transferred *back* to investors as a competitive market evolves, he said. How will that take place? Though there are many different ways to attract investment—RFPs like the recent government-run ones, bilateral negotiations with certain investors promoting worthwhile projects, etc.—"the guiding principle is that support will be provided only to the extent necessary to make investment feasible."

Generators will ... have to buy and sell in the competitive market in order to make ends meet financially since payments from the OPA alone will not be an adequate basis on which to run a business. OPA support will be designed to provide some kind of assurance to investors, such as a revenue floor and, in turn, probably would impose a revenue ceiling to prevent excessive profit at public expense.

Under the current RFP process, the winning competitors have been offered such a "revenue floor," consisting of a guarantee that they will at least break even on their capital, financing, operating, maintenance, and other costs—that is, they will not *lose* money.

Under the North American Free Trade Agreement, U.S. and Mexican investors, under the right to "national treatment," must be offered terms at least as favourable as the best terms available to domestic ones. It follows, then, that OPA will have to offer all future U.S. and Mexican RFP competitors terms at least as favourable as the ones offered in the current RFPs (see NewsFLASH 2004:05).

While Carr knows that NAFTA constrains his actions, he doesn't see it as this limiting. "The only area where that would become an issue is if we did an RFP that said outsiders need not apply ... if it were based on nationality."

And is the OPA really a "transitional" effort? Last April, the Minister of Energy said he's creating a "balanced, hybrid" solution, rejecting full market solutions because, "We've looked at moving to a fully competitive market, but couldn't find one that worked ... anywhere." But in an interview, Mr. Carr said he believes that markets will win in the end.

I'm not convinced that the hybrid [market] does work. The part of a hybrid structure that's not a market is not a market—it's an administered pricing system. So we have two parallel pricing schemes—one administered and one competitively driven. The OPA is the heart of the administered system. Everything I've heard is what we want is a competitive system—the administered system has to shrink.

There's no discernible difference between the Minister and himself, Carr says. "He's talking about the next year or two years, I'm talking about the next decade."

Society sponsors team in robotics competition

The Society has joined Bruce Power in supporting a youth robotics competition.

Society Executive Vice President **Rod Sheppard** presented the Kinetic Knights, a robotics team from Kincardine, with a cheque for \$1,000 to support their effort in the competition. He also provided \$5,000 to the contest organization.

"It's great to be able to help out these kids," said Sheppard. "Their enthusiasm for science means they'll have great futures."

The contest is run by FIRST (For Inspiration and Recognition of Science and Technology), a multinational organization headquartered in New Hampshire that "aspires to transform culture, making science, math, engineering, and technology as cool for kids as sports..." In addition to a yearly robotics competition, FIRST runs the "LEGO League," a robotics competition for kids ages nine to 14, and a "learning centre" in Bedford, New Hampshire. Over 14,000 volunteers serve as mentors in FIRST programs.

In the robotics competition, teams of students design and build a robot which will perform a specified task. The task is announced six weeks before the competition is held, and the robots' abilities are



Kinetic Knights Alex Donald (l) and Deric Jackson bravely let Society Vice President Rod Sheppard handle their robot's controls. In compensation, they get to handle a cheque for \$1,000.

demonstrated. Last year, more than 900 teams participated. The initial competition for the Kinetic Knights will be this month at the Canadian regional in Waterloo and Mississauga. They hope to progress to the international competition, which will be held in Atlanta, Georgia in April.

U.K. embassy and consular staff in U.S. join IFPTE

About 700 U.K. embassy and consular employees have joined the ranks of the International Federation of Professional and Technical Engineers.

On February 23rd, members of the Association of United States Engaged Staff (AUSES) voted by a margin of 98 per cent to affiliate to the IFPTE. AUSES represents staff at the U.K. Embassy in Washington, D.C., U.K. consulates, the U.K.'s United Nations mission, and British trade offices in the U.S.

"I believe [AUSES's] affiliation with IFPTE continues to build us as a force for professional workers," said IFPTE President Gregory Junemann. AUSES President Jim Patterson agreed, saying, "AUSES members will have IFPTE's significant support and connections to the American and international labour movement, along with IFPTE's traditional respect for local union autonomy and encouragement of active membership."

Embassy officials have taken the position that the U.S. National Labor Relations Act does not apply to the staff involved. In the last few days, however, the pressure back home in London appears to have forced a change. British Foreign Secretary Jack Straw has written to Britain's Trades Union Congress to say he supports "the establishment of a voluntary agreement."

The move to affiliate with the IFPTE is the culmination of a series of disputes between the employees over their management's plans to cut wages, reduce benefits such as maternity leave, and impose redundancies. After months of talks—and a one-day work stoppage—they approached the IFPTE for representation.

While holding out no hope that the "reform package" will be scuttled, Secretary Straw's letter says management will be willing to discuss its implementation.

"[Staff are] very angry. They're frustrated because there's no rational explanation for any of this," said Andy Banks, IFPTE's director of organizing.

Meanwhile, an Embassy official denies that Straw's letter means recognition of collective bargaining rights, saying nothing is preventing the staff from talking to management about labour relations.

The vote results were announced in a gathering at the Embassy building. Joining by conference telephone from London were AUSES officers on assignment in the U.K., representatives from U.K. unions representing civil servants in the Foreign Service, and Kay Carberry, Assistant General Secretary of the British Trades Union Congress.

Meet Leo Wong

The Society's newest employee is **Leo Wong**.

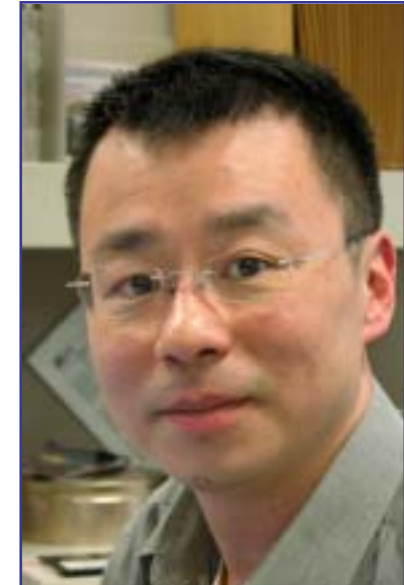
Leo is employed on a six-month contract, filling for **Susan Sutherland**, the Society's LAN Administrator, who is on an extended medical leave.

Leo hails from Hong Kong, and came to Canada in 1989 to attend Carleton University and Algonquin College in Ottawa, majoring in finance. Subsequently he took courses at the Information Technology Institute, Seneca College, and the Canadian Security Institute, becoming a computer whiz in the bargain. He became a citizen of Canada in the early '90s.

A certified Microsoft database administrator and solution developer, Leo has spent the last eight years building and analyzing business systems and databases, in regular and contract positions. "They were all good jobs," he says. "I learned a lot from each one—especially business knowledge and business systems."

"I hope to help you guys make your business run more smoothly."

Leo lives in North York with Tracy, his wife of six years, and son Alexander, two. In his spare time, he says, "Since we had our son, I entertain him."



New Society staffer Leo Wong.

And that is the Society Newscast for Friday, March 18, 2005.

Members can hear the current Newscast by calling (416) 979-2709 x.2035.

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