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AZ CORP COMMISSION
DOCKET CONTROL

Attorneys for Intervenor IBEW Local 1116

**BEFORE THE ARIZONA
CORPORATION COMMISSION**

11 IN THE MATTER OF THE
12 APPLICATION OF UNS GAS, INC.
13 FOR THE ESTABLISHMENT OF JUST
14 AND REASONABLE RATES AND
15 CHARGES DESIGNED TO REALIZE
16 A REASONABLE RATE OF RETURN
17 ON THE FAIR VALUE OF ITS
18 ARIZONA PROPERTIES.

Docket No. G-04204A-11-0158

**NOTICE OF FILING DIRECT
TESTIMONY OF FRANK
GRIJALVA**

19 Pursuant to the Administrative Law Judge's Procedural Order (p. 4) dated June 2,
20 2011, and Intervenor IBEW Local 1116's Unopposed Motion for an Enlargement of Time
21 dated October 28, 2011, Local Union 1116, International Brotherhood of Electrical
22 Workers, AFL-CIO, CLC ("IBEW Local 1116"), by and through undersigned counsel,
23 hereby provides notice of its filing of the attached Direct Testimony of Frank Grijalva in
24 this docket.

RESPECTFULLY SUBMITTED this 10th day of November, 2011.

LUBIN & ENOCH, P.C.

Arizona Corporation Commission
DOCKETED

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DOCKETED BY *mn*

Nicholas J. Enoch
Nicholas J. Enoch, Esq.
Jarrett J. Haskovec, Esq.
Attorney for Intervenor

1 Original and thirteen (13) copies
2 of IBEW Local 1116's Notice filed
3 this 10th day of November, 2011, with:

3 Arizona Corporation Commission
4 Docket Control Center
5 1200 West Washington Street
6 Phoenix, Arizona 85007-2996

7 Copies of the foregoing
8 transmitted electronically and
9 mailed this same date to:

10 Jane L. Rodda, ALJ
11 Hearing Division
12 Arizona Corporation Commission
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14 Tucson, Arizona 85701-1347

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Attorney for Intervenor



1 **Q1. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A1. Frank Grijalva. My business address is 750 South Tucson
3 Boulevard, Tucson, Arizona 85716-5689.

4 **Q2. PLEASE DESCRIBE YOUR RECENT EMPLOYMENT.**

5 A2. I am the Business Manager/Financial Secretary for Intervenor
6 Local Union 1116, International Brotherhood of Electrical
7 Workers, AFL-CIO, CLC ("IBEW Local 1116"). The position of
8 Business Manager/Financial Secretary is an elected union
9 position and, due to the retirement of my predecessor, I was
10 appointed by our Executive Board to my present position in
11 October 2007. I was reelected to my position most recently
12 in June 2011. Because all IBEW local unions also have a
13 person holding the position of "President," it is common for
14 persons outside of our organization to believe that the
15 "President" is the principal officer of the Local. That is
16 not the case. Article 17, §§ 4 and 8 of the Constitution of
17 the International Brotherhood of Electrical Workers, AFL-
18 CIO, clearly states that the Business Manager/Financial
19 Secretary is the "principal officer" of any IBEW local
20 union.

21
22 Prior to my becoming Business Manager/Financial
23 Secretary for IBEW Local 1116, I was employed by the
24 Tucson Electric Power Company ("TEP") for twenty-two
25 (22) years in a variety of bargaining unit positions,
26 the last of which was as a Designer for Transmission
27 and Distribution Construction. While employed at TEP,
28 I was a very active member of IBEW Local 1116,

1 including previously serving as the Local's President
2 and in other positions on the Executive Board.

3 **Q3. WHAT IS IBEW LOCAL 1116?**

4 A3. IBEW Local 1116 is the labor organization which serves as
5 the exclusive representative for, *inter alia*, approximately
6 one-hundred (100) employees of UNS Gas. IBEW Local 1116
7 notes that, by way of comparison with the classified
8 employment levels from the previous UNS Gas rate case, there
9 are now approximately ten (10) less bargaining unit
10 employees than when I filed pre-filed direct testimony in
11 June 2009. In particular, IBEW Local 1116 represents all of
12 the UNS Gas employees holding the following positions:

- 13 ● Construction and Maintenance Crewman,
- 14 ● Customer Service Representative (I & II),
- 15 ● Dispatcher,
- 16 ● Material Control Technician,
- 17 ● Meter Reader,
- 18 ● Planner,
- 19 ● Service Technician, and
- 20 ● Utilityperson.

21 IBEW Local 1116 and UNS Gas have entered two collective
22 bargaining agreements dating back to June of 2004 concerning
23 rates of pay, wages, hours of employment, and other terms
24 and conditions of employment.

25
26 In addition to representing the aforementioned employees at
27 UNS Gas, IBEW Local 1116 also represents hundreds of
28 employees at TEP [a UniSource Energy Corporation

1 ("UniSource") company], Southwest Energy Solutions (also a
2 UniSource company), Trico Electric Cooperative, Inc.
3 ("Trico") and Asplundh Tree Expert Company. To learn more
4 about IBEW Local 1116, I invite you to visit our website at
5 www.ibew1116.com.

6 **Q4. HAVE YOU TESTIFIED IN OTHER MATTERS BEFORE THE ARIZONA**
7 **CORPORATION COMMISSION?**

8 A4. Yes. On behalf of IBEW Local 1116, I testified in support
9 of the 2008 TEP settlement agreement. See generally 2008
10 Ariz. PUC LEXIS 201. In mid-2009, I testified in support of
11 Trico's then-pending rate application, Docket No. E-01461A-
12 08-0430. Furthermore, I testified in support of UNS Gas'
13 prior rate case, Docket No. G-04204A-08-0105. As my union
14 firmly believes that our success is inextricably linked to
15 the success of our represented companies, we are always
16 willing to voice our public support for them when such
17 support is warranted, as in this case.

18 **Q5. DO YOU BELIEVE UNS GAS IS A RESPONSIBLE CORPORATE CITIZEN?**

19 A5. Absolutely. While by no means perfect, the relationship
20 between IBEW Local 1116 and TEP is one which is mature and
21 stable. It is clear that this stability has benefitted UNS
22 Gas, its employees, and customers. In my opinion, the
23 importance of the strong and stable relationship between a
24 public service corporation and its employees cannot be
25 overstated. I believe that my opinion in this regard is
26 widely shared.

27 **Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

28 A6. As you know, Article XV, §3 of the Arizona Constitution

1 expressly states that the interests of public service
2 employees are on par with those of patrons. It reads as
3 follows:

4 The corporation commission shall have full
5 power to, and shall ... make reasonable
6 rules, regulations, and orders, by which such
7 [public service] corporations shall be
8 governed in the transaction of business
9 within the State, and ... make and enforce
10 reasonable rules, regulations, and orders for
11 the convenience, comfort, and safety, and the
12 preservation of the health, of the **employees**
13 and patrons of such corporations[.]

14
15 On behalf of its own members, as well as thousands of
16 patrons of UNS Gas, IBEW Local 1116 believes this proceeding
17 provides it with a unique and timely opportunity to express
18 to this Commission our qualified support of UNS Gas's
19 Application and our reasons for doing so.

20 **Q7. DO YOU BELIEVE THAT UNS GAS IS ENTITLED TO AN INCREASE ITS**
21 **RATES EFFECTIVE NO LATER THAN MAY 1, 2012?**

22 A7. Yes.

23 **Q8. WHAT, IF ANY, CHALLENGES DO YOU ANTICIPATE UNS GAS WILL FACE**
24 **IN THE SHORT- TO MID-TERM REGARDING THE PROVISION OF SAFE**
25 **AND RELIABLE SERVICE TO ITS CUSTOMERS?**

26 A8. As is the case for so many utilities across the country, see
27 generally Application to Intervene on Behalf of Intervenor-
28 Applicants IBEW Locals 387, 640, and 769, Docket No. E-

1 01345A-11-0224, UNS Gas will need to address challenges
2 stemming from the so-called "aging workforce" problem. By
3 that, I mean the difficulties, burdens, and/or concerns
4 associated with having a substantial share of employees in
5 particular positions eligible to retire within the coming
6 decade and the attendant issues relating to the loss of
7 employees with extensive experience, expertise, and
8 institutional knowledge as well as the need to recruit,
9 train, and replace such employees, consistent with the
10 provision of safe and reliable service to UNS Gas customers.

11
12 Allow me to give you one example to illustrate the concern I
13 mention. UNS Gas employs service technicians whose duties
14 including responding to calls from customers regarding
15 potential gas leaks and repairing gas equipment and systems.
16 When service technicians who have worked at UNS Gas and its
17 predecessor for a decade or more retire - a set of
18 circumstances UNS Gas will increasingly face in the years to
19 come - they take with them their experience, skill, and
20 knowledge about the UNS Gas system, company culture
21 (including its positive safety culture), operating
22 procedures, and applicable safety rules and standards, among
23 other things. However, replacing such technicians by hiring
24 upon their retirement simply will not work. It takes
25 approximately one to two years of on-the-job training and
26 field work to become a fully qualified service technician at
27 UNS Gas, depending on whether the technician concerned has
28 prior experience in the gas industry and familiarity with

1 the UNS Gas system, and generally even longer to hone one's
2 skills and develop additional expertise. Accordingly, with
3 anticipated retirement levels rising in the approaching
4 years, UNS Gas faces both a challenge and an opportunity to
5 ensure that it continues to attract and employ fully
6 qualified personnel consonant with its efforts to provide
7 safe and reliable service to customers.

8
9 To meet these challenges, UNS Gas will need to give
10 considerable thought to succession planning within
11 bargaining unit positions (such as the service technician
12 classification). IBEW Local 1116 submits that one part of
13 the solution to the "aging workforce" problem includes UNS
14 Gas hiring, prior to any anticipated wave of retirements in
15 particular positions, a number of employees sufficient to
16 replace the expected number of retiring employees. By
17 hiring new employees prior to such retirements and allowing
18 a period of overlap, more experienced employees would have
19 an opportunity to pass on their knowledge and to assist in
20 training the newly-hired employees, and there would be
21 complete continuity in the staffing of an appropriate number
22 of fully qualified employees. This, in turn, would enhance
23 UNS Gas' ability to ensure that service is provided in a
24 safe and reliable manner.

25 **Q9. DO YOU BELIEVE THAT UNS GAS OUGHT TO RECOVER A GREATER SHARE**
26 **OF ITS FIXED COSTS THROUGH A HIGHER FIXED MONTHLY CUSTOMER**
27 **CHARGE?**

28 A9. Yes.

1 Q10. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A10. Yes.

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