

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

WISCONSIN ENERGY CORPORATION,)
INTEGRYS ENERGY GROUP, INC.,)
PEOPLES ENERGY, LLC, THE PEOPLES)
GAS LIGHT AND COKE COMPANY,)
NORTH SHORE GAS COMPANY, ATC)
MANAGEMENT INC., and AMERICAN)
TRANSMISSION COMPANY LLC)

Docket No. 14-0496

)
Application pursuant to Section 7-204 of the)
Public Utilities Act for authority to engage in a)
Reorganization, to enter into agreements with)
affiliated interests pursuant to Section 7-101, and)
for such other approvals as may be required under)
the Public Utilities Act to effectuate the)
Reorganization)

DIRECT TESTIMONY OF RICHARD PASSARELLI
ON BEHALF OF LOCAL 18007, UTILITY WORKERS OF AMERICA, AFL-CIO

1. **Q. Please state your name and occupation.**

2. A. My name is Richard Passarelli. I am the Business Manager of Local 18007 of the Utility
3. Workers Union of America, or UWUA. My business address is Suite 307, 300 South Ashland
4. Avenue, Chicago, Illinois 60607.

5. **Q. Please describe your background.**

6. A. I have been an employee of Peoples Gas since 1987, with 28 years of service. From 1982
7. through 1985 I served two tours in the United States Navy. During that time I was awarded the
8. Humanitarian Service Medal, Navy Battle “E” Ribbon (second award, special designation), Navy
9. Sea Service Deployment Ribbon (second award) and Navy Expeditionary Ribbon.

10. Since 1998 I have been active in the Union at People’s Gas in various elected positions, including
11. chief steward, trustee, interim financial secretary, vice president and president of the Local. Since
12. 2009 I have served as the Local’s Business Manager, a full-time staff position.

13. On a national level, I am on the National Executive Board of the UWUA, and serve as their National
14. Veterans Chair. I’m also the Project Coordinator of UMAP Veterans, a union-sponsored program
15. that trains and places veterans in jobs in the utility industry.

16. **Q. On whose behalf are you testifying today?**

17. I’m testifying on behalf of the 960 members of Local 18007 who work for Peoples Gas, Light and
18. Coke Company in Chicago. Our members are the first responders for gas leaks all over the City of
19. Chicago, as well as providing gas service to almost one million customers. They are the workers
20. who work on the underground pipes to make sure that homes and businesses are heated, food is hot
21. and energy is delivered safely. This can be very dangerous work at times, involving use of power
22. tools on live gas lines for example. It requires a high level of skill and experience to keep them-
23. selves and their communities safe.

24. I am offering my testimony here on behalf of this highly skilled and diverse workforce, as well as on
25. behalf of gas customers in Chicago to ensure their voices are also part of this important discussion. I
26. know you will consider their interests as you debate this matter of importance to our future.

27. What is your understanding of WEC's and Integrys' goals in the proposed Merger?

28. We believe that any merger must maintain current workforce levels, both for the sake of workers'
29. Jobs and in order to have the resources necessary to provide safe, adequate, efficient and reliable
30. service to the Utilities' customers. As stated in the Joint Applicant's Application and the testimony
31. of WEC President Allan Leverett, we are confident that the merger is based on these goals and does
32. not contemplate cutting the joint companies' workforce in a short-sighted quest for quick financial
33. savings. WEC has voluntarily made commitments consistent with its stated approach to the merger
34. in discussions with Local 18007.

35. Could you describe the nature of those commitments?

36. First, WEC has committed to honor Integrys' existing labor agreements. Second, they have pledged
37. to continue Integrys' policies for training and hiring of a skilled Local 18007 workforce. And third,
38. they have committed to continue the AMRP program of infrastructure modifications in Chicago. We
39. think the resulting company, WEC Energy Group, Inc., could be a stronger company that will be
40. better positioned to maintain its independence and provide stability for its employees going forward.

41. What specific commitments has WEC made with regard to training programs?

42. WEC has committed to maintain the existing utility worker training programs provided at the current
43. People's Gas Technical Training Center, including the current, successful safety training program
44. administered by Local 18007. WEC and Local 18007 will continue to explore advancing the safety
45. training programs in particular, and worker training in general, following the merger.

46. WEC's commitment also extends to continuing the Union's degreed training program for veterans

47. developed in partnership with the City Colleges of Chicago and the UWUA Power for America
48. Training Trust Fund at Dawson Technical Institute in Chicago. The initial contract has been
49. successfully completed and a five-year extension agreed to. This is an important component of
50. providing new, well-trained workers for People’s Gas to ensure they can provide their customers
51. with adequate, safe, efficient and reliable service in years to come.

52. What commitments has WEC made to your Local regarding the AMRP?

53. The AMRP is important to the safety of the Union’s members who maintain and operate the
54. People’s Gas distribution system, as well as the safety of the communities they serve. The infra-
55. structure improvements being made by the AMRP will enhance the safety of the distribution system,
56. simplify its operations, reduce the potential for operator error and increase system reliability. One
57. important element is accelerated removal of high-risk cast iron and ductile iron components from the
58. system. This will protect crews working on gas mains from serious injury by ductile iron or cast-
59. iron fixtures and fragments in the event of a malfunction. WEC’s commitment to continue the
60. AMRP is an important aspect of their commitment to maintain the Utilities’ capacity to provide safe,
61. adequate, efficient and reliable service. We believe WEC’s record of successfully undertaking large
62. scale infrastructure investments and improvements in its current territories, along with its positive
63. employee safety record, will remain strong going forward. WEC’s management will bring this
64. experience and focus to the new, post-merger company, which will be beneficial for employees and
65. customers alike.

66. Does this conclude your direct testimony?

67. Yes.

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

WISCONSIN ENERGY CORPORATION,)
INTEGRYS ENERGY GROUP, INC.,)
PEOPLES ENERGY, LLC, THE PEOPLES)
GAS LIGHT AND COKE COMPANY,)
NORTH SHORE GAS COMPANY, ATC)
MANAGEMENT INC., and AMERICAN)
TRANSMISSION COMPANY LLC)

Docket No. 14-0496

Application pursuant to Section 7-204 of the)
Public Utilities Act for authority to engage in a)
Reorganization, to enter into agreements with)
affiliated interests pursuant to Section 7-101, and)
for such other approvals as may be required under)
the Public Utilities Act to effectuate the)
Reorganization.)

VERIFICATION OF DIRECT TESTIMONY
OF RICHARD PASSARELLI ON BEHALF OF
LOCAL 18007, UTILITY WORKERS UNION OF AMERICA, AFL-CIO

I, Richard Passarelli, under penalty of perjury as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, certify that the statements set forth in the Direct Testimony of Richard Passarelli on behalf of Local 18007, Utility Workers Union of America, AFL-CIO, filed on November 19, 2014, in the captioned docket, are true and correct, except as to matters therein stated to be on information and belief and as to such matters I certify as aforesaid that I verily believe the same to be true.

Signed on November 19, 2014


Richard Passarelli