

Letter from a FirstEnergy worker on the US blackout

5 September 2003

Below we post a letter from a electrical utility worker in New Jersey commenting on our article, "A profile of Ohio-based FirstEnergy: Enron was no aberration"

Hi WSWs,

I was interested to read Joseph Kay's article on FirstEnergy.

I have been an employee of Jersey Central Power and Light Company (which was a part of GPU and now FirstEnergy) for the last 19 years and a reader of the *World Socialist Web Site* for several years.

Your article, while very brief, hits many of the important points regarding FirstEnergy. It is quite clear to all employees that the value of the stock is the main concern of those running the company. I was disappointed, however, that your emphasis was mostly on the financial part of the company's activities and not on the areas with which I am most involved and concerned—reliability and treatment of workers. The article stated,

"In its defense, FirstEnergy has claimed that its record is not much different from that of other large utilities. This is quite true. Poor maintenance, a lack of concern for environmental effects and poor treatment of workers are characteristic of the industry as a whole."

While this statement may be essentially true, I believe that FirstEnergy goes way beyond the norm in its disregard for the reliability of the electricity it provides to its customers and especially in the way it treats its unionized employees.

When I started working for JCP&L/GPU, the primary goal for every one in the company was reliability of the electricity provided and excellent customer service. When it became clear that deregulation was coming, the company started cutting back on nonunion employees. Over a period of a few years virtually all nonunion employees over 50 years of age were given early retirement or severance packages. At about the same time, the company switched to an accounting software package

named SAP. In order to accommodate SAP, the company was reorganized to break down people's functions in ways that had very little to do with the overall running of an electric utility. Job functions were isolated and the result was (is) a system that allows people to do exactly what they are supposed to do while in reality projects are uncoordinated, behind schedule, no one knows or cares what anyone else is doing and the system is falling apart.

While management, including engineering functions, was becoming less effective because of reduction in force and poor organization, union workers continued to do their job. We were described as a "self directed workforce." In many cases, due to cutbacks we had no direct supervision at all. Yet miraculously the lights stayed on. For many of us, this was a great time to be working—we were allowed to do our jobs without being hassled or micromanaged.

Meanwhile, GPU management, which had done OK running a regulated monopoly utility, tried to go the get rich quick route that seemed to be available to them after deregulation and they failed. This led to the acquisition by FirstEnergy.

Among the many disturbing things that FirstEnergy has done since they took over GPU, the most disturbing to me is the way they have treated unionized employees, the very people who have been and essentially ARE the electric company. FirstEnergy has ignored our contracts, ignored labor law, ignored common sense and common decency. They have done away with progressive discipline. Discipline is not only arbitrary, it is extreme. Three days suspension without pay is the first step for almost any offense. Although there is no provision in our contract for it, and despite the fact that it violates state and federal wage and hour laws, FirstEnergy expects us to be available for emergency callouts 24 hours a day, seven days a week. The penalty for not taking a callout is suspension.

While FirstEnergy has not laid off unionized workers,

they have allowed (as did GPU) the workforce to become smaller by not filling jobs as people have retired or left the company for other reasons. They get away with this because they are doing much less work than was done before deregulation. (Ironically, the main part of FirstEnergy's business is still regulated, however you would never know it by how the company is run.)

It is telling that as revelation after revelation appeared regarding the mismanagement and deceit involving events both before and after the discovery of the hole at [the nuclear power plant] Davis-Besse and then the sorry state of the distribution system in New Jersey resulting in sporadic blackouts affecting millions over the Fourth of July weekend this summer, that FirstEnergy stock prices continued to rise. The stock prices only went down after announcements that profits were lower than expected due to accounting changes. After the blackout, the prices plunged briefly, but then recovered to roughly the level where they were before the blackout. By the only barometer that FirstEnergy management accepts they are doing a good job. There is no reason to think they will change nor will there be much pressure on them from the only group they respect, the investors, for them to change.

People with more experience and knowledge of the electric utility business than I had predicted a blackout, although not so soon. The conditions are all still there, nothing has changed and it is unlikely that much will soon enough to prevent more blackouts in the future. Just as the Bush administration's War on Terror has increased terror and reduced freedom, the forces of the capitalist system will most likely continue to require the deterioration of the electric grid's infrastructure with results similar to what we saw on August 14, 2003.

Thanks for all your good work,

JB

New Jersey

1 September 2003



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