

UTILITY WORKERS UNION OF AMERICA

Local No. 369

120 BAY STATE DRIVE • BRAINTREE, MA 02184

May 19, 2005

(781) 848-3740

(781) 848-3741

FAX (781) 848-4108



Dear Union Brothers and Sisters:

We expect that you may have received a letter from NSTAR outlining its last offer to the union. This is a typical company tactic at the beginning of a strike that is designed to try to separate the membership from the union leadership. NSTAR hopes you will read the offer, now that you had stood in picket lines for several dreary days, and say, maybe it isn't so bad! Don't be fooled.

The company offer is riddled with take backs and few gains, including many items that it knew none of us would accept. Even the proposed wage rate, although it sounds good, is unacceptable. Note that the contract wording is structured such that the wage increase is bundled into many takeaways demanded by NSTAR. As such, although the salary raise sounds nice, when you roll up all the demanded concessions, the "raise" would be negated and come to us at incredible cost. As such, your union officials rejected the salary offers.

The company's last offer not only took away many important benefits, it also failed to include what we feel was necessary to insure safety and reliability on the system, such as preventive maintenance programs, new hires and the training for them, a reduction in mandatory overtime hours and many union-proposed initiatives that make the company, its property and the communities we serve safe.

NSTAR's cavalier disregard of its workers and customers, and its greedy demands for worker concessions come at a time when the company is posting record-high profits, record-high executive bonuses, and a year that the CEO himself calls "our best ever". It is appalling that in meetings with investors, NSTAR brags about its financial success, and then turns around in meetings with our bargaining committee and actually demands that workers give up hard-earned safety precautions and benefits.

Is it greed? Is it ego? Is it utter disregard for employees, retirees and their families? Is it arrogance? Is it a lack of respect and care for the consumers and ratepayers? Is it all of the above?

Know that your union officials are in contact with influential politicians who will help us obtain the fair and equitable contract that we deserve. Know that you have the backing of over 400,000 union working families and that their officials have reached out to us and are supporting us in many important ways. Know that we will win this negotiation if we stand strong together. Remember, united we bargain, divided we beg. On the enclosed sheet is a true summary of the offer. Call us if you have any questions about it.

In solidarity,

Your Union Bargaining Committee

HIGHLIGHTS OF COMPANY'S LAST OFFER FOR TWO- YEAR AGREEMENT***

NOTE: ALL TAKEAWAYS ARE IN BOLD; ALL GAINS ARE IN REGULAR PRINT.

PENSIONS

- Demand a different pension plan for new hires, valued at less than 30% of our current plan.
- Deny same sex domestic partner pension benefit coverage for active employees and retirees.
- **Eliminate retiree dental and vision care**
- **The right to eliminate retirement health benefits the day you retire**
- **Retirees could be required to pay up to 50% of health care costs.**
- **Reductions in retiree life insurance at age 65 (down to \$20,000 from current \$30,000, company contribution to Medex down from 85% to 80%, and increase (double) in retiree prescriptions, up to \$20 to \$80 per prescription.**
- **Agree to accept less favorable pension application for O, T & P members by rejecting union win of arbitration case.**

BENEFITS

- **Increase employee contribution for health, dental and vision to 17% on 1/1/06 and 18% on 1/1/07**
- **Decrease 401 (K) match for all overtime work, match will only be applied to base pay.**
- **Decrease group life insurance coverage to two times annual pay.**
- **Increase life insurance premium by 33% for workers and retirees**
- **Decrease maximum age for dependent child coverage from 23 to 19 for non-students and from 25 to 23 for students.**
- Establish voluntary high deductible health plan with 10% contribution
- Increase medical waiver (for those few employees who decline health care coverage), effective 1/1/06 to \$1,000-\$2,000 annually, depending on status.
- Establish same sex domestic partner health benefit coverage for active employees and retirees.
- Increase tuition assistance from \$4,000 to \$5,000, subject to company guidelines.
- **Reduce annual sick day allowance from 10 to 7 (rolling average from 1st day used)**
- Provide for payout of up to 40 hours of unused sick days annually.
- **Elimination of extra insurance coverage if assaulted at work.**

WAGES

- Increase of 4% effective 5/16/05 and 5/16/06
- Additional increases of up to 2.5% or lump sum up to \$1,800 for certain classifications. (List available at union hall).
- Increase of \$.50 in meal allowance effective 1/1/06 and 1/1/07
- **Meal allowance after 2.5 hours, not 2.**
- Increase of \$0.15 in shift differential effective 1/1/06

HIRING

- Open requisitions for 134 individuals (114 full-time; 20 part-time) in various departments to replace some of the employees who have retired.

VACATIONS

- **Eliminate vacation averaging**

WORKING CONDITIONS

- Eliminate Union Consolidation Agreement
- Reduce work areas to two departments: Production and Maintenance and Office, and Technical and Professional (This will impact job bidding rights.)
- Eliminate neutrality language, which helps organize NSTAR non-union people
- Change days of work from weekdays to all days, including weekends
- Extend hours of work to include between 7 AM and 8 PM
- Give the company the right to create shifts and arbitrate later
- Almost all employees would work 8 ½ hours per day, instead of 8
- Reduce travel pay entitlement to only if working outside normal work area (not for “call ins” between 11:30 PM-6:30 AM or off schedule)
- Increase in outside contractors
- Reduce Inclement Weather entitlement for Gas Operations
- ECSDS-forced testing to enter job
- Engineering-Non-union personnel doing our work
- Overhead-Relief troubleshooters, shifts in 8 service centers - 24/7, leader per truck eliminated, reduced crew sizes and increased job specs

MISSING FROM PROPOSAL

- No dedicated maintenance crews to maintain and repair system for reliability and customer safety
- No commitment to eliminate stray voltage, gas valves access, manhole explosions, seven-year gas meter exchanges, rotten poles, double poles and other safety hazards

**If not otherwise mentioned, provisions in prior contract (2000-2005) remain the same.

COMPANY DEMANDS FOR “FLEXIBILITY” AND RESTRUCTURING

When you read that NSTAR is offering you an 8% to 10.5% wage increase over two years, be aware of two important issues:

- The company is trying to force us to give up critical safety and work rules that our forefathers fought for 50 years to obtain.
- The company’s masquerading of the wage increase proposal may lead you to believe that we will receive a 4% to 5% increase annually. Don’t be fooled: the percentage must be used to cover the following NSTAR demands for restructured job classification:

Engineering Committee- The Company refused any changes pursuant to the Unit Clarification agreement, including not moving positions into the bargaining unit. The Company wants to split the Engineering Roster with no supplemental increase.

Field Services – Company proposed the elimination of read day language for Meter Readers. Company wanted to create a new position FSR Level III (rate of \$28.31) in order to incorporate FST job responsibilities and increasing the FSC job responsibilities for an additional \$1.00 per hour. Create 8 new positions for FSRs. Company offered \$1,000 bonus to FST for the withdrawal of Grievance on restoration work. Clothing allowance increased by \$50.00 for Meter Reader. Company proposed a \$150.00 clothing allowance per year for FSR, mandating that the FSR wear company-approved clothing every day worked. The Company proposed the creation of a Saturday shift with no increase in pay. The Company proposed the temporary upgrade of FSC within a business unit.

Surveys & Records- The Company proposed the current use of Contractors under the direction of Drafting Techs. Company will utilize internal work force while contractors are working. The company agreed to upgrade 1 drafting tech to grade 14. The Company agreed to back fill a vacancy for drafting tech grade 6-8-10.

Operation Support Committee- Company refused IMAC position to support telecommunication and computer operations area. After not meeting for 3 weeks, Company proposed (on May 13, 2005) overlapping job functions of telecommunications and computer techs with one time 2% supplemental increase.

Call Center Committee- Company will not guarantee that they will not outsource during the contract. The Company refused to honor any past practices and/or agreements. The Company proposed the increased use of part-time workers with no benefits and no guarantee for minimum or maximum staffing levels. The Company refused to back-fill vacancies of any full-time and part-time positions with the exception of 2 customer service representatives. The Local got the Company to agree to pay the 2% relocation bonus for former Wareham employees. **The Company is eliminating a Monday through Friday work-week schedule; instead Company is demanding that work weeks be any 5 days, between Sunday and Saturday, and between the hours of 7 a.m. and 8 p.m.**

Customer Care Billing- The Company will not guarantee no outsourcing. The Company agreed to flex time. The Company agrees to SCSA. The Company proposed a lower starting rate for CSA new hires. The Company agrees to a 3rd pay level for CSA II after 5 years.

Administrative Support Committee- After months of diligent work and applause at debriefing, the Company proposes no changes whatsoever despite coverage problems and refuses to back fill vacancies.

Facilities Committee- Company proposed the use of Contractors to do the North and South cleaning. Company proposed the continued use of Contractors for Snowplowing, Sanding, and Grass Cutting for Yarmouth and Plymouth. Company agreed to allow Building Grounds to go out EIP Program after the completion of their job responsibilities. The Company wanted the continued use of contractors to clean the Summit Building.

ECSDs Committee- The Company proposed forced testing to enter job.

Overhead – The Company proposed Relief Troublemens; Shifts in 8 service centers for summer and holiday relief, seven days a week; Leader-per-truck eliminated; Increased job specifications; Reduced crew sizes, including two-men Hot Stick crew and a one-man Service Crew (from 3 to 2, and 2 to 1), Hot Stick Troubleshooter increased job specifications by 3X. Introduction of Overhead-seasonal shifts with no premium or penalty. One supplemental 2.5% increase for complete restructuring and increase of job functions and responsibilities.

Underground Committee- The Company proposed significant changes to the UG Troubleshooter job specification, “assuming all of the tasks of the lower job classification rate” (without training). The Company ignores/rejects the Local's “street safe” proposal for stray voltage and dig safe. The Company proposed changes to dig safe including the use of Contractors(the Company “wants out of the dig safe business”). The Company proposed an entry level mark out position. The Company accepted the Local's underground lineworker training proposal but would not agree to the Underground Trainer position.

Gas Operations-The Company wants to eliminate 1 ½ hour contractor penalty, reduce crew size. Eliminate inclement weather for gas distribution, putting workers in unsafe working conditions. The Company wants to increase use of outside contractors.