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Governor

Robert D. Vance, Secretary  
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Protection Cabinet

Larry R. Bond  
Commissioner  
Department of Public Protection

Commonwealth of Kentucky  
**Public Service Commission**  
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David L. Armstrong  
Chairman

John W. Clay  
Commissioner

June 9, 2008

**PARTIES OF RECORD:**  
Case No. 2007-00455  
Big Rivers Electric Corporation

Attached is a copy of a letter received from the International Brotherhood of Electrical Workers which has been entered into the record of the above-referenced case. If you wish to make any comments regarding the contents of the letter, please do so within five days of receipt of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo  
Executive Director

SS/rs

EDWIN D. HILL  
INTERNATIONAL PRESIDENT

2007-0455  
JON S. WALTERS  
INTERNATIONAL SECRETARY

# International Brotherhood of Electrical Workers



GARY D. OSBORNE  
BUSINESS MANAGER & FINANCIAL SECRETARY  
I.B.E.W. LOCAL 1701

2911 W. PARRISH AVENUE • OWENSBORO, KENTUCKY 42301 • TELEPHONE (270) 684-3058 • FAX (270) 684-4255

June 3, 2008

Ms. Stephanie Stumbo, Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

**RECEIVED**  
JUN 5 2008  
PUBLIC SERVICE  
COMMISSION

RE: Big River Electric Corp. "Unwind"

Dear Ms. Stumbo:

Enclosed please find a letter that I am sending to Big Rivers Electric in advance of the closing of the unwind deal between Big Rivers Electric Corporation and Western Kentucky Energy (WKE). A copy of this letter is also being distributed to the Attorney General's Office to update the parties on the deteriorating Labor/Management relationship between IBEW Local 1701 and Western Kentucky Energy.

It was my hope and intent to have all outstanding labor relations issues resolved with Western Kentucky Energy prior to closing. Unfortunately, these issues have multiplied as opposed to being resolved which in turn has created dissent in the WKE workforce.

This information is being forwarded only for your information, and any encouragement you may pass to either party for early resolution would be greatly appreciated.

Sincerely,

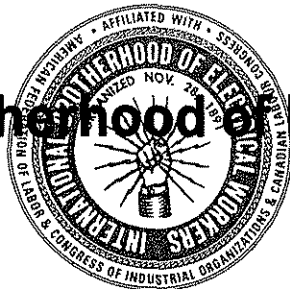
Gary D. Osborne  
Business Manager

Copy: Honorable Dennis Howard, Assistant Attorney General

EDWIN D. HILL  
INTERNATIONAL PRESIDENT

JON S. WALTERS  
INTERNATIONAL SECRETARY

# International Brotherhood of Electrical Workers



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June 3, 2008

Mr. James Haner, H.R. Manager  
Big Rivers Electric Corp.  
P.O. Box 24  
Henderson, Kentucky 42419-0024

RE: Big Rivers "Unwind"

Dear Mr. Haner:

By letter dated May 30, 2008, I requested that we postpone contract negotiations from the week of June 9<sup>th</sup> to a date uncertain due to major Labor/Management issues pending with Western Kentucky Energy (WKE). As of this date, those issues include a termination case scheduled for arbitration, a discipline case being scheduled for arbitration and a termination which just occurred on Friday May 30<sup>th</sup> which in all probability will also be sent to arbitration. For whatever reason, it appears that our once excellent labor/management relationship with Western Kentucky Energy has hit rock bottom. In my four years as Business Manager I have not had one case go to arbitration with Western Kentucky Energy. Unfortunately, that situation has changed dramatically and now we seem unable to resolve any issue.

As we approach our upcoming negotiations with Big Rivers many of these carry over discipline issues will be a major point of discussion. For instance, if an Arbitrator rules that an employee of WKE is to be made whole and placed back to work, what will be Big River's Electric position relative to placing the discharged WKE employee back to work with Big Rivers Electric? There is no doubt WKE will be responsible for the make whole remedy, but who will be responsible for his or her employment? These are just a few of the questions I have that could have been resolved with WKE.

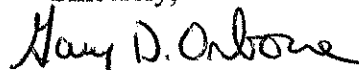
Also, as we prepare for contract negotiations with Big Rivers Electric, it appears that the front line management team from WKE, who will still be employed at that time, will have a seat at the table. On issues which involve carry over discipline items, the Union strongly objects to these individuals being at the table. These individuals include: Lisa Garrett, HR Manager, Jim Garrett, Plant Manager Coleman Plant, Bob Berry, Plant Manager Reid/Green Plant and Kenny Stewart, Plant Manager Wilson Plant. These current Managers will be working for and with WKE on their Arbitration cases and in the same light representing Big Rivers Electric. Certainly on issues

which involve discipline of current employees in which these Managers were also involved, I can assure you they will not be coming to the table with an open mind. You cannot represent two masters. Therefore, I respectfully request that these individuals not be involved as these matters are discussed and solutions are sought.

I am very open to resolving these issues prior to the start of formal contract negotiations. Given that the moral of the bargaining unit employees at WKE is at an all time low I firmly believe it in each party's best interest to resolve these issues before we begin negotiations with Big Rivers Electric. With the current situation it makes both of our tasks nearly impossible as we attempt to reach an agreement with a hostile workforce. The last employee terminated was a 24 year employee who had a good work record, one who was well liked by all of his co-workers, and was even by members of management admittedly a good worker! In past similar circumstances employees have been issued warnings and given suspensions, not terminated. WKE even attempted to pit one employee against another by offering such a settlement whereby I, as their union representative, had to agree to sacrifice one employee in order to save the other employee's job. In other words I was pressured to give up my duty of fair representation, under the National Labor Relations Act, of one union member to save another member's job. Something I resolutely refused to do!

As I am sure you are aware there are many issues currently playing on the minds of the bargaining unit employees at WKE. Issues such as future health care coverage, work schedules, starting into a different pension plan--in many cases for the third time, and possible job cutbacks, just to name a few. All of these play a toll on the moral of the workforce. Mixing all of this with a hostile Labor/Management relationship and you can easily see why the moral of the workforce is at rock bottom. I am certain you can appreciate that the issues involving discipline take on a sense of urgency. I would therefore respectfully request that representatives of the Union and representatives of Big Rivers Electric meet at our earliest convenience in an attempt to resolve the issues. I look forward to your immediate response.

Sincerely,



Gary D. Osborne

Business Manager, IBEW Local 1701

Copy: Tim West, Unit Chairman