5800

EEMENT

BETWEEN
CALIFORNIA GAS COMPANY
AND
:S UNION OF AMERICA, AFL-CIO
EMICAL WORKERS UNION COUNCIL,
FCW, AFL - CIO

April 1, 2002 -
December 31, 2004

:cting rates of pay and other
)nditions of employment

221 pp

The
Gas
Company

TABLE OF CONTENTS

TITLE — PAGE NUMBER

1. LABOR/MANAGEMENT PEACE PRINCIPLES . 1
2. MANAGEMENT/UNION RIGHTS, RELATIONSHIPS, RESPONSIBILITIES
   - 2.1 – Management Rights 4
   - 2.2 – Union Rights 5
   - 2.3 – Nondiscrimination 19
   - 2.4 – Conclusion of Bargaining & Management Rights 19
   - 2.5 – Labor-Management Activities 21
3. BARGAINING UNIT SENIORITY & JOB CLASSIFICATIONS
   - 3.1 – General Seniority Policy 31
   - 3.2 – Scope 32
   - 3.3 – Determination of Seniority 34
   - 3.4 – Seniority in Demotion 35
   - 3.5 – Veteran's Seniority Credit 36
   - 3.6 – Seniority in Shift Assignments 37
   - 3.7 – Seniority in Rehiring 38
   - 3.8 – Classification Policy 40
   - 3.9 – Classification Changes 40
   - 3.10 – Refusal of Duties 41
4. TOTAL COMPENSATION
   - 4.1 – Pay Structure 43
   - 4.2 – Overtime 47

TITLE PAGE NUMBER

4.3 – Premiums 56
4.4 – Benefits 61
4.5 – Special Provisions 89

5. WORK FORCE FLEXIBILITY/WORK SCHEDULES
5.1 – General Statement 96
5.2 – Workday and Workweek 97
5.3 – Modification of Schedules 98
5.4 – Job Site Reporting 100
5.5 – Special Work Schedules 100
5.6 – Work Assignments of Relatives 101
5.7 – Job Assignments During Inclement Weather 102
5.8 – Flexible Work Force 103
5.9 – Temporary Relief Assignments 104
5.10 – Position Opportunity and Placement 104
5.11 – Job Profiles 117
5.12 – Certification 117
5.13 – Technical Layoff 117
5.14 – New or Modified Regions 118
5.15 – Employee Redeployment – Work Force Balancing 120

6. DISPUTE RESOLUTION
6.1 – General Statement 121
6.2 – Job Performance Appraisals 121
6.3 – Causes for Disciplinary Action 123

TITLE PAGE NUMBER

6.4 – Advance Warning of Intention to Discipline 125
6.5 – Disciplinary Procedure 126
6.6 - Disciplinary Interviews 132
6.7 – Termination Wages 133
6.8 – Grievance/Arbitration Procedure 135
6.9 – Adjustment of Status and Pay 152

7. SHORTAGE OF WORK
7.1 – Scope 153

8. APPENDIX A
Pay Grades 158-165

9. APPENDIX B
Job Index Listing – Job Progressions and Layoff 166-187

10. APPENDIX C
Letters of Agreement 188-208

Article I

LABOR/MANAGEMENT PEACE PRINCIPLES

1.1 – SoCalGas and the Union agree that it is in their mutual interest to work in an environment where there is labor/management peace and cooperation in order to *meet competitive challenges, secure economic security* for the employees and better serve SoCalGas customers.

1.2 – SoCalGas and the Union recognize that the business success of the Company is necessary to provide employees economic security.

1.3 – SoCalGas and the Union will attempt to settle matters of mutual concern such as environmental concerns, individual safety concerns, and administrative matters in the spirit of the partnership in lieu of resorting to *administrative, environmental, safety,* NLRB, *etc., type* of complaints.

1.4 – SoCalGas will ensure that its management team adheres to the principles and spirit governing this partnership.

1.5 – The Union National/Local elected leadership will officially communicate to its membership and appointed leaders (i.e., shop stewards, etc.) that they must adhere to the principles and spirit governing this partnership and will proactively intervene if lack of adherence occurs.

1.6 – The Union agrees not to intervene in local, state or federal regulatory or administrative hearings, proceedings or investigations, or with financial institutions for purposes of opposing SoCalGas or undermining its business interest. Both parties recognize, however, that from time to time the Union and SoCalGas may be on opposing sides of issues and agree that in such circumstances full discussion of such differences will take place before such differences appear in a public forum.

1.7 – The Union will discontinue their sponsorship of any and all campaigns against SoCalGas, its products, and/or management.

1.8 – SoCalGas and the Union agree that in order to work in a true partnership that embodies trust it is necessary for each to share information about business issues, including, on occasion, sensitive information and operating information. In order to accomplish this, SoCalGas and the Union will meet at mutually agreed times to discuss the information and these issues and other matters of general concern that are important to the maintenance of the partnership.

1.9 – SoCalGas supports employees' rights to gain economic security through collective bargaining in their Unions.

1.10 – SoCalGas will remain neutral in all organizing drives conducted by the Union for bargaining unit work, as defined by this Agreement, performed by SoCalGas or subsidiaries of SoCalGas, which operate or come to operate in the territory currently served by SoCalGas (service territory as of 8-8-96). If the Union secures a simple majority of authorization cards, subject to a mutually agreed upon verification and validation process, in an organizing drive as described above, for an appropriate bargaining unit, then the Company shall recognize the Union as representative for bargaining purposes for that unit without a secret ballot election conducted by the NLRB. The authorization card shall read, "I_____, wish to have the UWUA/ICWUC represent me as my exclusive bargaining representative for wages, hours, and other terms and conditions of employment", and all representations by the Union will be consistent with this language. The above shall not be applicable to any situation in which SoCalGas acquires in any fashion an existing business or company performing work relating to existing bargaining unit work.

1.11 – SoCalGas will remain neutral in all organizing drives conducted by the Union at SoCalGas.

Article II

MANAGEMENT/UNION RIGHTS, RELATIONSHIPS, RESPONSIBILITIES

2.1 – Management Rights

(A) General Statement: The Company has and will retain the unquestionable and exclusive right and power to manage its business and direct the working forces, including the right to hire, classify, grade, suspend, discharge, promote, demote or transfer its employees, provided it does not conflict with the provisions of this Agreement . Nothing in this Agreement is intended to or is to be construed in any way to interfere with the recognized prerogative of the Company to manage and control the business.

(B) Contracting Out:

(1) Except as otherwise specified in this Agreement, the Company shall not contract out work performed by the following classifications (hereinafter called "fenced-in classifications").

Cathodic Protection Spec
Commercial Serv Tech
Construction Tech
Cust Serv Rep-2, Bilgl-2
Cust Serv Rep-4, Bilgl-4
Steno-4, Bilgl-Steno-4
Energy Tech Distribution
Energy Tech Residential
Field Planning Associate
Field Tech
Gas Storage Specialist
Industrial Serv Tech
Instrument Spec
Ld Construction Tech
Ld Cust Serv Rep-6,
Bilgl-6
Ld Meter & Regulator Tech
Ld Planning Associate
Ld System Protect Spec
Measurement Spec
Meter & Regulator Tech #1
Meter & Regulator Tech #2
Pipeline Tech
Pipeline Planning Assistant
Planning Associate
Senior Instrument Spec
Station Maintenance Spec
Station Operations Spec
Station Tech
System Gas Dispatcher
System Protection Spec
Trans Pipeline Spec
Welder Specialist

(2) Routine Work: The Company retains its right to determine the best course to follow with regard to expanding or contracting the regular working force.

The Company retains the right to contract out in the following situations: fluctuating or seasonal work loads where the employment of additional regular employees could reasonably be expected to result in periodic shortages of work for such regular employees; to avoid payment of overtime rates; to conduct pilot programs; when contractors have specialized skills or equipment which make it more efficient for the Company to utilize them.

No layoff of regular employees shall occur as a result of contracting out under the provisions of this section.

(3) Special Projects: The Company will continue, as in the past, to employ architects and contractors, as occasion and fair outside business relations may require, for construction and building operations and for special maintenance projects not regularly a part of its activities in producing and distributing natural gas. The Company will not undertake to regulate the conditions of employment which may prevail under outside contracts or subcontracts covering such construction, building or maintenance.

2.2 – Union Rights

(A) Recognition:

The Company recognizes the Union for those units

where the Union, through National Labor Relations Board certification, has been designated as the exclusive bargaining agency for employees of the Company covered by this Agreement, i.e., employees represented by Utility Workers Union of America, AFL-CIO, and International Chemical Workers Union Council of the UFCW, AFL-CIO jointly, as certified by the NLRB in Case No. 21-RC-11756; and employees represented by Utility Workers Union of America, AFL-CIO, as certified by the NLRB in Case Nos. 31-RC-1072 and 31-RM-164 and in Case No. 21-AC-41.

The Company shall notify the Union when it creates an entirely new nonmanagement job classification or work location. This notification shall include pertinent facts including, but not limited to: classification, department, and the work location where the classification is proposed to be placed.

Southern California Gas Company agrees that this Agreement shall apply in the event that it decides, in its sole judgment, to create a new subsidiary to perform bargaining unit work within its current service territory. Whenever the Company or a subsidiary of the Company creates a job classification within its current service territory (as of August 8, 1996) which performs production, maintenance, technical or clerical work with job duties consistent with bargaining unit work, such classifications shall also be included in the Agreement.

The Company further agrees that, effective the date of the Agreement, general and accounting clerical positions

shall be included in the bargaining unit, provided that incumbents of said positions as of the date of this Agreement shall be excluded from the bargaining unit as long as they remain in those positions. The Union hereby agrees the incumbents defined above shall have bargaining unit seniority based upon their hire date. However, positions traditionally excluded by the Company due to performance of confidential work (including, but not limited to Human Resources personnel or personnel performing Human Resources functions, secretaries [Associates/Assistants] of all levels, department heads and above), classifications which the Union has previously relinquished their representational rights to (including, but not limited to Marketing), and positions historically regarded by the Company as management are also excluded.

Recognition described above shall not be applicable to any situation in which the Gas Company acquires in any fashion an existing business or company performing work relating to existing bargaining unit work. Their inclusion shall only be determined in connection with appropriate proceedings before the NLRB or by specific agreement between the parties.

(B) Union Leave of Absence:

(1) Regular employees selected by the Union to do work for the Union which takes them from their employment with the Company, shall upon written request of the Union be authorized to absent themselves from their work with the Company for the period of their services for

the Union; provided, however, that the number of employees on leave under the provisions of this Section shall not at any one time exceed five employees who are members of the ICWUC or eight employees who are members of the UWUA.

The aggregate of such absence from work with the Company as regards any individual employee shall not accumulatively exceed nine years. If the term of office of an elected Union officer extends one year or less beyond the nine-year maximum period set forth above, upon written request from the Union, the Company will extend the Leave of Absence until the end of the employee's current term of office.

During such Leave of Absence to do work for the Union within the above time limits, the rights of any such employee shall be deemed to be those of an employee laid off under the provisions of Article VII (Shortage of Work) hereof, and such employee shall have the same rights upon return to the Company as those provided in Section 3.7 (Seniority in Rehiring) hereof, except that such employee shall have the right to return at any time to the same classification and kind of work in which such employee was last engaged prior to entering the service of the Union under the provisions of this Section; and, further, that such employee shall accumulate seniority during the full term of such service for the Union.

An employee who does not return to work on or before the end of the accumulative maximum period of such Leave of Absence set forth above shall be terminated.

However, he or she, may at a later date return to a vacant job with transfer priority to any classification in which he or she has been rated satisfactory on a regular basis, provided that he or she is medically approved for return to work by the Company physician. Upon re-employment under these conditions the employee shall be credited with the seniority accrued by him or her prior to his or her termination.

(2) In addition, upon written request from the Union, the Company will authorize regular employees to be absent from their jobs without pay for the purpose of attending Union meetings, Union-sponsored schools and Union conventions, providing the following conditions are met:

(a) Employees selected by the Union as delegates to state, regional, or national conferences or conventions shall, upon written request of the President of any Local Union, be granted permission to be absent from the Company for short periods of time whenever such absence does not interfere with the conduct of Company business. Such employees may apply unused vacation allowance to cover the time required for official duties and travel time by air in connection with such activities. Additional vacation may be scheduled only if the employee's regular seniority preference entitles him or her to it.

(b) Where operating necessity permits, officers of the Union who may be on shift will be allowed time off the job in order to attend meetings of the Local Union.

(c) Where operating necessity permits and where the

written request has been received by Labor Relations at least 24 hours prior to the time of the beginning of the requested absence, members of the Union will be allowed specific periods of time up to ten working days in order to do Union administrative work. The written request must be received by Labor Relations during the normal course of business hours, excluding weekends and Company-observed holidays.

(d) The Union agrees to make a reasonable effort to minimize the number of customer service personnel on leave under (2) of this section during the seasonal light period, and will attempt to rotate leave requests so as not to unduly burden a given operation or location.

(C) Union Security:

(1) Each employee who is working in a bargaining unit classification on or before the effective date of this Agreement shall be required as a condition of employment to meet their financial obligation by making monthly union membership dues to either the Utility Workers Union of America, AFL-CIO, or to the International Chemical Workers Union Council, UFCW, AFL-CIO. Such employees who fail to meet their dues obligations to the Union will be subject to termination.

Newly hired prospective regular employees shall be required as a condition of employment to pay the amount of monthly dues effective with the month following completion of six months of service; except that an employee with less than six months of service who

submits two authorizations for payroll deduction of dues, one to each union, will be notified as promptly as practicable that he or she must choose one union or the other for payroll deduction purposes. Deduction of dues in such case shall commence following notification to the Human Resources Department, of the employee's final choice, in accordance with the provisions of paragraph (2) of this Section.

In addition, any employee who comes from outside the bargaining unit into a job classification represented by the Union shall similarly be required to pay Union dues effective with the month following completion of 90 days' service within the bargaining unit. An employee's obligation to pay Union dues in accordance with these requirements can be met by keeping in effect a valid authorization for payroll deduction of such dues, as provided under paragraph (2) following. Except when he or she transfers from one unit to another, as defined in Section 2.2 (Recognition), an employee's obligation to pay dues may not be transferred from one of the unions that is party to this Agreement to the other.

(2) An employee may join or may authorize that monthly dues deductions be paid to, either the Utility Workers Union of America, AFL-CIO, or the International Chemical Workers Union Council, UFCW, AFL-CIO. Upon individual authorization in writing on a form acceptable to the Company, the Company will, on the first and second payday of each month, deduct from any employee's wages for the related pay periods the amounts required to equal the total monthly Union

membership dues for the current calendar month. The Union agrees that the monthly dues shall be constructed in dollar amounts evenly divisible by two. Such authorization shall be effective as of the first of the month following that in which the authorization is received by the Company. For regular employees such deduction will be made only if the employee has earnings of 20 or more regular straight-time hours in such related pay period (including the final pay period of employees who terminate or transfer between companies). An employee with a Union dues deduction authorization in effect who transfers from one unit to another, as defined in Section 2.2 (Recognition), shall be required to submit a new authorization within 30 calendar days following the effective date of the employee's transfer.

(3) The Company will remit to the Financial Secretary or Treasurer for the Local Union, not later than twelve calendar days following the end of said related pay periods, the full amount of such deduction for dues made during the pay period. Except in the bargaining units within the Transmission Regions and the Professional and Technical units, the Union may notify the Company to transfer remittance of dues from one local Union to another of the Utility Workers Union of America, AFL-CIO, or from one Local Union to another of the International Chemical Workers Union Council, UFCW, AFL-CIO, such transfer to be effected as of the first of the months following receipt of notification.

(4) It is agreed that the Union shall indemnify and save the Company harmless from any claims, suits, or any

other form of liability as the result of making payroll deductions for membership dues in accordance with the terms of any previously agreed upon or current payroll deduction form. In addition, it is agreed that it is the Union and not the Company that is responsible for the collection of unpaid dues when a dues deduction is not made for any reason. It is further agreed that the Company is not liable to the Union for any failure to deduct dues but that the Union's sole remedy is to collect unpaid dues directly from the employee.

(5) The Union agrees that neither it nor any of its officers or members will intimidate or coerce employees into membership in the Union. The Company agrees that neither it nor any of its officers or supervisory employees will intimidate or coerce employees to refrain from joining the Union.

(D) Union Activity: The Company will not discriminate against any employee for engaging in Union activity. Union activity shall not take place on the job in such a way that it interferes with the work. However, the Company will permit access to Company property by Union representatives to expedite the handling of grievances, to contact members of the Union, or to visit Union Bulletin Boards, under the following circumstances:

When more than one employee is to be contacted, such visitations shall normally be limited to the lunch period or immediately prior to the beginning of or after the end of a shift. When only one employee is to be

contacted, or when a grievance investigation is involved, or when a Union bulletin board is to be visited, such visitations may be made at any convenient time during working hours. The Union representative shall request permission in advance from the Director, Labor Relations, other Headquarters Directors or Region Managers and shall limit his or her visitation to a reasonable length of time.

Where practicable the supervisor will provide an appropriate place for the Union representative to confer with the employee or employees. It is understood and agreed that such discussions will be limited to particular problems arising under this Agreement and will exclude discussions of general Union administrative procedures. It is further agreed that such visitations will not be used for purposes of organizing employees, recruiting new members, or collecting dues.

(E) No-Strike Clause: There shall be no picketing, strikes, concerted failure to report for work, slowdowns or stoppages of work, nor any lock-outs, during the term of this Agreement.

The Company agrees that neither the Union, its officers or official representatives, shall be liable for damages for unauthorized picketing, strikes, concerted failure to report for work, slowdowns or stoppages of work, if:

(1) The Union gives written notice to the Company and the employees involved, within 24 hours after being informed by the Company of such action, that it has

not authorized the stoppage, strike, slowdown or suspension of work, and such written notice directs the employees involved to return promptly to their jobs and cease any further violation of this Agreement, and if:

(2) The Union at the same time authorizes the Company to give such further publication of such notice as in the sole judgment of the Company appears desirable.

It is recognized that the Company has the right to take disciplinary action, including discharge, against any employee who is responsible for or participates in a breach of a provision in the first paragraph of this Section, whether or not the Union gives the notice provided in this paragraph. It is agreed that such action on the part of the Company shall be final and binding upon the Union and shall in no case be construed as a violation by the Company of any provision of this Agreement. However, an issue of fact as to whether or not any particular employee has engaged in, participated in, or encouraged any such violation, may be subject to the grievance procedure and or arbitration.

(F) Picket Lines: Recognizing the obligation of the Company and of its employees to render service to the public under the provisions of the California Public Utilities Act and the franchises granted to the Company thereunder, the Union and the Company agree that the presence of a picket or of a picket line on or adjacent to the premises of any customer or potential customer of

the Company shall not, of itself, remove the obligation to render such service as has been regularly applied for or otherwise properly requested by such customer, or such service as is necessary in the interest of public health and safety or in the normal routine of Company operations.

It is further agreed, however, that employees are not required to cross a picket line if in the employee's best judgment it appears to the employee that such entry may result in physical violence or injury to him or her. In such event the employee shall specifically explain to the person in charge of such picket line the obligation of the Company and of its employees to render service and inquire as to whether or not such entry will be physically resisted. Where such inquiry has been made and the employee is advised by the person in charge of the picket line that his or her entry will be so resisted, or in case violence actually in progress precludes such inquiry, the employee shall forthwith notify his or her supervisor. In no case will the employee be required to enter the customer's premises under the circumstances hereinabove described until any such threat of resistance to such entry shall have been removed. Failure to gain entry to the customer's premises under the circumstances hereinabove described shall not, in and of itself, be deemed a violation of the terms of the Agreement, nor shall it result in the loss of seniority or pay to the employee involved.

(G) Seniority List: The Company agrees to furnish the Union the seniority lists of all regular and probationary

employees in work locations covered by the terms of this Agreement. The seniority list shall be by Region and by classification, and shall be corrected and brought up to date every three months.

(H) Union Officers: Seven (7) officers from all locals of the UWUA and Five (5) officers from all locals of the ICWUC, for a total of not more than Twelve (12) *representatives* *may elect to be excluded from off-hour* shifts or details during the period that he or she holds office, provided that the employee is in a working group that rotates through such assignments and that is large enough for his or her exclusion to meet operating convenience. It is understood that dispatch office working groups are not ordinarily considered large enough to qualify hereunder.

In the event of layoffs for lack of work as provided in Article VII (Shortage of Work) the members of the Steering Committee of the Joint Labor Committee (not to exceed eight employees), the President of Local 483 of the UWUA, and the President of Local 522 of the UWUA, *if assigned during their respective terms of* office to progressions in which layoffs occur, shall in face of such layoffs, be placed at the top of the seniority list of the respective job progressions in which such layoffs occur. Upon termination of their respective terms of office, such officers shall automatically revert to their appropriate positions on the seniority lists of the job progressions to which they are respectively assigned. The Union agrees to notify the Company of the names of such officers and of their term of office at the time of their

election. The special seniority accorded hereunder will not apply unless such notification is received by the Company in writing at the time of the signing of this Agreement or within 30 calendar days after the election of such officers.

(l) Bulletin Boards: In plants or units covered by this Agreement the Company will erect and maintain bulletin boards in suitable places mutually agreed upon, to be used solely by the Union for the posting of notices of the following type only, except that additional notices may be posted upon approval by local management or by the Director, Labor Relations:

(1) Notices of Union recreational and social affairs.

(2) Notices of Union elections, appointments, and result of Union elections.

(3) Notices of Union meetings.

(4) Minutes of Shop Committee meetings.

Notices that have been approved by local management will be identified by an asterisk or star placed in the upper left-hand corner. Notices that have been approved for posting by the Director, Labor Relations will be identified by two such asterisks or stars in the upper left-hand corner.

It is mutually agreed that the bulletin boards shall not be used for posting or distributing pamphlets or political matter of any kind, nor for the posting or distributing of matter derogatory to supervisors, management or the

Company, or for advertising.

As a service to the Union, the Company will arrange to have any of the following items posted, when issued, on the General Bulletin Boards in each District and Region headquarters office, and in each major plant and operating base:

This Agreement

The Job Profile Index

The appropriate area seniority list provided in paragraph (G) herein

Notices of Prequalifying Test Sessions

(J) Notification of New Employees: Newly hired employees who are subject to this Agreement shall be so notified by the Company at the time of their employment in the manner agreed upon at the time of the execution of this Agreement.

2.3 – Nondiscrimination

The Company and the Union agree that neither will discriminate because of age, sex, handicap, medical condition, marital status, sexual orientation, race, religious creed, color, national origin, ancestry, or otherwise in accordance with federal and/or state law.

2.4 – *Conclusion of Bargaining & Term of Agreement*

(A) Term: This Agreement shall be effective from **April 1, 2002**, to and including **December 31, 2004**.

(B) Good Faith: The Company and the Union expressly

stipulate that the provisions of this Agreement, irrespective of the give and take entering into negotiations thereof, and without prejudice to future negotiations, are essentially fair and equitable, and each party further stipulates that this Agreement is entered into without mental reservations, unexpressed lack of agreement or other failure to agree with the provisions hereof, it being the express intent of both parties to conclude this Agreement and to observe the covenants herein set forth in complete good faith.

(C) Zipper Clause: It is agreed that during negotiations which resulted in this Agreement each party had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law or by agreement through a valid and existing contract from the area of collective bargaining and that the understanding and agreements arrived at by the parties after the exercise of that right are set forth in this Agreement. Therefore, the Company and the Union for the life of this Agreement each voluntarily and without qualification waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

(D) Governmental Approval: It is agreed that the provisions of this Agreement relating to expenditures which may be subject to Governmental approval will be submitted to the appropriate Governmental agencies and are subject to such approval.

(E) Printing of Agreement: The Company agrees to use the services of a Union recognized printer to print copies of this Agreement and to distribute to all bargaining unit employees a copy of the printed Agreement. In addition, the Company agrees to provide each local with Agreements equal in number to 10% of their respective memberships.

2.5 – Labor-Management Activities

(A) Notices: Notices required to be served under the terms of this Agreement shall be sufficiently served for all purposes herein when mailed, postage prepaid, certified mail, return receipt requested, to Southern California Gas Company, attention — Human Resources, Director, Labor Relations, 555 West Fifth Street, Los Angeles 90003-1022, for service upon the Company and when similarly mailed to Utility Workers Union of America, AFL-CIO, 7200 Greenleaf Avenue, Suite 380, Whittier, CA 90601 (Area Code 562-696-0142, Company Mail Location #702J), and/or to International Chemical Workers Union Council, UFCW, AFL-CIO, 8530 Stanton Avenue, Suite 2-C, Buena Park, 90620 (Area Code 714-816-1922), Company Mail Location #702F), for service upon the Union, and the date of delivery of such notice shall be the controlling date for all purposes hereunder.

(B) Interim Meetings: In order to effectuate this Agreement, the Union and the Company mutually agree to have their respective committees meet to discuss the administration of the Agreement and any problems that arise thereunder. The committee shall consist of the representatives who negotiated this agreement or their successors. A review of industrial accidents and suggestions on safety matters that are considered to be more than local in scope may be part of the agenda. Such meetings shall be scheduled any time during the term of this Agreement, within 24 to 48 hours following the receipt by the Company of the Union's agenda.

(C) Safety – Company/Union Policy:

The Union and the Company agree to cooperate in maintaining safe working conditions. No employee shall be required to work under conditions or operate equipment which does not meet the requirements of the lawful orders of the State of California pertaining to employee safety, and refusal to work under such conditions or operate such equipment shall not in and of itself be deemed in violation of paragraph (B) of Section 6.3 (Causes for Disciplinary Action), nor of Section 2.2(E) (No-Strike Clause).

(D) Safety Committees: **It is agreed that upon execution of the present Agreement, Safety Committees may be established.**

(1) Region and Headquarters Department Safety Committees

Safety Committees established within the Joint Certification shall be composed of three representatives designated by the Union, two from the majority Union and one from the minority Union. (These numbers shall be increased to three and two for the Inland Empire Region, Redlands Committee and for the Northern Region, Chatsworth Committee). Safety Committees established outside the Joint Certification shall be composed of two representatives designated by the Union.

Two representatives will be designated by the Company plus a representative of Safety Management's Staff. By mutual agreement a greater number of regular representatives, not to exceed the number necessary to represent affected work groups, may be established. The Union representatives shall be selected from the employees of the departments or Region represented by the committee on which they are to serve. The Company representatives shall be members of, or have jurisdiction over, departments represented by the committee on which they are to serve. Whenever practicable, other Company employees who are knowledgeable about particular topics may attend committee meetings.

The Safety Committees shall hold meetings quarterly or upon request of either party or according to any regular schedule mutually agreed upon by Union representatives and local management to permit inspection, discussion, and review of local health and safety conditions and

practices.

(2) District and Local Safety Committees

Employee participation in safety management through local safety committees is strongly encouraged. These guidelines are intended to facilitate formation of safety committees in organizations that do not currently have one and to promote consistency in committee make-up and function.

Safety Committees will be established at a district and department by mutual consent of management and the Union(s). The committee should be made up of at least three represented persons (larger locations may have more. To obtain the best cross section of employee representation, a person from each work group should be on the committee (i.e. customer contact, field services, meter reading, etc.). In addition, a representative of Management and the Union will serve, and in turn, will mutually agree on the method of selecting the rest of the committee. The length of term will be twelve (12) months on a rotating basis or end of project (not to exceed eighteen (18) months). To maximize education, all employees at the location should have an opportunity to serve on the committee. Persons selected to service on the committee should be those who support the Company and the Union's efforts in safety and incident prevention.

Responsibilities

The *responsibilities of the safety committee* will be varied based on the needs and requirements of each work location. Some general duties are listed below:

1. By consensus, the committee will agree on a meeting schedule.

2. *Assist* in planning *and conducting* of the safety meetings.

3. Promote the idea that a person's safety is everyone's responsibility.

4. Review suggestions from employees pertaining to changes in safety programs, safety equipment and make recommendations to appropriate personnel for consideration.

5. Be familiar with the contents of the Company's Injury/Illness Prevention Program Handbook and be prepared to make recommendations for changes to local management or region safety supervisor.

6. Be alert to the any hazard or hazardous conditions and report as soon as possible to *appropriate personnel designated* by Safety Committee. Review industrial injury and motor vehicle accident reports and make commendations on methods of prevention and protection to prevent a similar recurrence.

7. Communicate and coordinate safety/issues

between work groups, all shifts, and other safety committees.

Suggestions and recommendations for the prevention and elimination of unhealthful and unsafe conditions and practices shall be promptly investigated and acted upon by the appropriate staff. Participating representatives, insofar as practicable, shall be furnished, at least 24 hours prior to the time of the meeting, with a written agenda of all matters to be discussed at the meeting.

If safety matters are not resolved to the satisfaction of Union representatives, they may be referred to the grievance procedure under Section 6.8 (Grievance/ Arbitration Procedure) or, in the case of safety matters having system-wide implications, to an Interim Meeting as set forth in Section 2.5 hereof. If the matter is of sufficient urgency, the meeting may be scheduled prior to the next otherwise planned Interim Meeting.

(E) Shop Committees:

(1) It is agreed that upon execution of the present Agreement, Shop Committees shall be established in the following locations:

MAJOR SHOP COMMITTEES

HEADQUARTERS

EDS, Residential Services, Revenue Management
Customer Financial Services, Credit & Revenue Collection

EDS, Residential Services, Customer Contact
Customer Contact - Call Center

EDS, LDS, Procurement and Logistics
Manufacturing & Repair Services - Print Shop

EDS, LDS, Procurement & Logistics
Operations Staff/Procurement & Logistics - Manufacturing & Repairs

EDS, Support Services, Financial & Accounting Services
Region Accounts Payable/Cost Accounting - Gas Company Tower

ETS, Building & Real Estate Services
Gas Company Tower

CUSTOMER OPERATIONS (FORMERLY DISTRIBUTION DIVISIONS)

Inland Empire Region
- Imperial
- Redlands

Northern Region
- Chatsworth
- Lancaster
- Visalia/Bakersfield

Orange Coast Region
- Anaheim

Pacific Region
- Compton

TRANSMISSION / STORAGE

- Beaumont
- Blythe
- Victorville/Newberry Springs/Needles
- Aliso Canyon/Honor Rancho/Newhall
- Goleta/Ventura
- Taft
- Brea/Olympic/Saticoy
- Playa Del Rey/Montebello

SPECIAL SHOP COMMITTEES

Gas Control
- Spence Street (Formerly Gas Operations)

Gas Supply
- Supply Operations

Headquarters
- Community Involvement, Gas company Tower
- Engineering Test Center
- Monterey Park

Mapping Services - Gas Company Tower

At the Union's request, the Company will establish

additional Shop Committees to deal with matters concerning Union represented employees not included under the jurisdiction of any Shop Committee listed above.

(2) Shop Committees established within the Joint Certification shall be composed of three representatives designated by the Union, two from the majority Union and one from the minority Union. (These numbers shall be increased to three and two for the Inland Empire Region, Redlands Committee and for the Northern Region, Chatsworth Committee.) Shop Committees established outside the Joint Certification shall be composed of two representatives designated by the Union. The Company shall designate two representatives to each Committee. The Committee may be increased from time to time by mutual agreement. The Union representatives shall be selected from the employees of the departments or Region represented by the Committee on which they are to serve. The Company representatives shall be members of, or have jurisdiction over, departments represented by the Committee on which they are to serve. Whenever practicable, other supervisors who are knowledgeable about particular topics will attend for those topics.

(3) Major Shop Committee meetings shall be held upon request of either party, or according to any regular schedule established mutually by the Union representatives and local management. Special Shop Committee meetings shall be scheduled upon request of either party. Any given meeting may be extended, or

recessed and resumed, as necessary to complete any given item of business, upon the unanimous concurrence of representatives of the Union and of the Company. Participating representatives, insofar as practical, shall be furnished, at least 24 hours prior to the time of the meeting, with written agenda of all matters to be discussed at the meeting. The agenda shall be prepared in sufficient detail to permit the Company and Union representatives to make any necessary review of the matters to be discussed. Meetings shall be scheduled by mutual convenience, under conditions which neither disturb nor interfere with Company work. Procedure shall be as informal as is consistent with transaction of the business at hand.

(4) Shop Committees shall deal with matters which are strictly local to the department and which do not involve changes in this Agreement or Company policy. Interpretations of this Agreement or of Company policy may be discussed; provided, however, that any controversy with respect to such matters shall be referred to the grievance procedure. Representatives of the Union or of the Company may, by stating a motion to such effect, cause transfer of any matter before the Committee to regular grievance procedure under Article VI (Dispute Resolution). Minutes of each meeting shall be prepared by the Company representatives and offered to the Union representatives for correction and approval within 24 hours or as soon thereafter as practicable following the conclusion of the meeting. Upon final approval by both parties to this Agreement,

such minutes may be posted on appropriate bulletin boards by either party hereto. Agreements reached by the Shop Committees shall be listed in the minutes of the meeting and shall be considered as approved unless revoked in writing by the Union or the Company within five working days after receipt of the minutes as provided by Section 2.5 (A) (Notices) hereof. In the event that neither party revokes within the ten working days, the Shop Committee Agreement shall remain in effect for six months and will be automatically renewed every six months unless specifically revoked in Shop Committee by one of the parties.

Article III

BARGAINING UNIT SENIORITY & JOB CLASSIFICATIONS

3.1 – General Seniority Policy

Where ability and qualifications are sufficient the seniority of regular employees shall be observed in re-employment and layoffs, and in promotions, as herein provided. The date of entrance into service will be considered the date upon which continuous employment begins. Continuous employment, as regards probationary employees, is that employment which is regular and unbroken by any absence longer than ten succeeding working days or two calendar weeks for a reason other than an on-the-job injury compensable by workers' compensation, jury duty or an appearance in

court as a witness. A regular employee who is rehired within ten working days after termination shall have his or her seniority fully reinstated.

3.2 – Scope

Only regular employees are accorded seniority rights hereunder. Prospective regular employees and temporary employees do not have seniority rights.

Prospective regular employees are those who (1) are scheduled to work no less than forty hours per week in jobs which are occasioned by continuous requirement of the Company; and (2) are employed in jobs which, at the time of employment, offered a likelihood of more than six months of regularly scheduled work; and who (3) have not yet completed the customary probationary period of six months or any agreed upon extension thereof.

Temporary employees are those who (1) have accepted employment in jobs which, at the time of employment, appeared to offer a prospect of less than six calendar months of continuous work; or who (2) have accepted employment in part-time jobs in which they are regularly scheduled to work substantially less than 40 hours per week, exclusive of work performed during the school vacation periods. The Company will notify each newly hired employee by mail that his or her status is either that of a temporary employee or a prospective regular employee.

When a prospective regular employee successfully

completes the six months' probationary period or extension thereof, his or her probationary period shall be credited as regular employment in determining his or her official date of entry into the service. In the event that a prospective regular employee is terminated because of extended absence due to sickness or injury before completion of the six months' probationary period, and is rehired within 30 calendar days of such termination, his or her service prior to such termination will be credited as regular employment in determining the employee's official date of entry into the service.

When the Company provides off-the-job training to qualify for a job, the probationary period shall be extended by the period of time spent in such training, or until nine months following entry into Company service, whichever is the lesser.

Rather than resort to outside hirings, the Company will consider prospective regular employees for promotion. Prospective regular employees shall be subject to the provisions of paragraph (D) of Section 6.5 (Disciplinary Procedure) for an additional period of six months, or nine months following entry into Company service, whichever is the lesser.

Time spent as a regular management employee shall not count when calculating seniority for the exercise of rights under Section 5.10 (Position Opportunity System) and Article VII (Shortage of Work) of this Agreement, and vacation schedule and shift assignments.

3.3 – Determination of Seniority

An employee's seniority begins on the official date of his or her entry into service as recorded by the Company and continues to accumulate until his or her services as an employee are officially terminated, except as provided in Veteran's Seniority Credit. Absence from work for authorized reasons such as vacation, sickness, or accident, or with properly authorized leave of absence shall not impair or cause any break in an employee's seniority, except as provided in Family Care Leave and Union Leave of Absence. However, a regular employee who has not completed one year of service shall be terminated after an absence of 60 calendar days because of illness or injury. An employee so terminated may put job requests in for any open jobs he or she is capable of performing, for a period of six months following his or her termination. His or her job request shall be considered before that of any employee with less seniority and before any hiring off the street. Further, an employee so terminated shall have the right to return to his or her former job at any time within 90 calendar days following his or her termination on the same basis as an employee returning from Disability. He or she shall upon re-employment be credited with the seniority which has accrued to him or her up to the date of such termination. An employee who has completed one or more years of service shall be terminated after an absence of nine months in which the employee is not qualified for and does not receive benefits under the Disability Benefit Plan.

In the event that the accredited seniority of two or more employees is identical, the order of preference in all matters in which seniority is a determining factor shall be determined as follows:

(1) if any such employee shall have had prior temporary or regular service with the Company, including any predecessor company, which is not related to the present seniority determination, then the employee having had the greatest amount of such prior temporary or regular service shall be given said seniority preference;

(2) in the absence of the aforesaid prior temporary or regular service, or in case such prior temporary or regular service shall be equal, the said seniority preference shall apply to the employee who has had the greatest amount of service within the job progression;

(3) in case such service within the job progression shall be equal, the said seniority preference shall apply to the employee who holds the highest job classification or who has the greatest amount of service in the same or equally paid job classifications; or

(4) if seniority preference cannot be thus established it shall be determined by lot.

3.4 – Seniority in Demotion

When an employee has been demoted for cause other

than failure to perform work in an efficient and workmanlike fashion, his or her seniority so far as subsequent promotion is concerned shall be redated as of the date of the demotion for cause. Such an employee shall retain his or her original seniority rights regarding layoff and rehiring. Further, he or she shall have his or her original seniority rights fully restored following three consecutive years during which his or her record has been satisfactory.

When an employee is demoted for failure to perform work in an efficient and workmanlike fashion, or has elected to take a demotion in face of a written warning prior to completion of the probationary period established with such warning, as provided in Section 6.4 (Advance Warning of Intention to Discipline), his or her seniority shall not be redated. However, it is understood and agreed that he or she will be restricted from promotion in the line of work from which he or she was demoted; except that, following three consecutive years during which his or her record has been satisfactory, he or she shall, if otherwise considered qualified, have such restriction removed.

3.5 – Veteran's Seniority Credit

It is understood and agreed that any employee who was accorded Veteran's Seniority Credit prior to August 1, 1970, shall continue to carry such credit.

3.6 – Seniority in Shift/Schedule Assignments

As used in this section and throughout this Agreement, the term "shift" refers to the general shift the employee is working, i.e., day, swing, or graveyard. The term, "schedule" refers to the hours within a shift that an employee is assigned or the days of the week that an employee is assigned.

In recognition of seniority, **employees may select** shift **and** schedules, **on a voluntary basis, in seniority order. Absent mutual agreement in shop committee, unfilled shifts and schedules shall be filled in inverse seniority order.**

An employee may request a change to his or her shift or schedule during the months of February and August of each year, providing that the employee wishing a change has made application in writing to the appropriate supervisor not later than the first day of the preceding January or July, respectively. If an employee's request is not honored because he or she lacks sufficient seniority, the employee may keep his or her written request active for the next semi-annual **selection** by **informing** his or her supervisor.

In recognition of seniority, in the Customer Resource Center, employees may request specific shifts/schedules during a CRC "open selection" process conducted in August, for shifts/schedules that become effective in September. Shifts changes may be made in March provided that the employee wishing a change submits a written request to his or

her supervisor by February 1.

In all cases, it is understood and agreed that **written request** shall not be used as a means of requesting a change in basic schedules or in type of work or job location, and the Company shall have the right to refuse reassignment in the event that operating conditions do not permit the change. It is further understood that an employee on a non-rotating swing or graveyard shift schedule who is attending school for credit will be allowed to remain on such schedule as long as he or she maintains continuous attendance during each school semester, other than the summer vacation period.

In the event the Company reassigns an employee to a new shift on a regular basis, the restriction to one change per year will be lifted for any affected employees.

3.7 - Seniority in Rehiring

In the event of rehiring or reclassification following layoff, the employee last laid off or reclassified in accordance with the provisions of Section 7.1 (Seniority in Layoff) shall be offered re-employment or reclassification first, and no new employee shall be hired until the list of employees laid off or otherwise removed from the given payroll classification shall have been exhausted. Such re-employment privilege, however, in the case of an employee who leaves the Company with rehiring rights under Section 7.1 of this Agreement, shall not continue for a period of time greater than three calendar years. Such reclassification privilege, in the case of an employee who has remained on the payroll, shall

continue for a period of three years.

Re-employment Following Layoff For Shortage of Work: Employees laid off under this section, who reapply for employment and secure a regular job within 12 months of the termination date, will have, upon re-employment, the same seniority status they had attained at the time of their layoff. In addition, their sickness and vacation allowances will be fully reinstated. Their status under the life insurance, disability benefit and pension plans will be determined in each case according to the then existing rules of these plans.

The refusal of an offer of re-employment in the same or parallel classification in the same work location as that held by the employee at the time of layoff shall terminate any obligation assumed by the Company. However, the Company will not offer re-employment in a parallel classification if the employee lacks any specific skills that are required in the job, such as typing, stenography, public relations skills, or the ability to lift heavy objects, etc.

An offer of re-employment mailed to the last known address of an employee whose services are terminated for lack of work requiring his or her presence on the job within twenty calendar days of the date thereof, shall terminate if unanswered at the end of the twenty-day period, and his or her re-employment privileges hereunder shall likewise terminate. The Company will maintain on active file all mailing addresses furnished by

remedies provided in the grievance procedure. He or she shall not be entitled to refuse duties under any circumstances except as provided in the following paragraph.

An employee may refuse to perform duties assigned to him or her if he or she reasonably believes that performance of the duties would imperil the health or safety of the employee or other employees or create a hazard affecting Company operations or the safety of the public contrary to the provisions of Section 2.5 (Safety – Company/Union Policy). In such a refusal of duties an employee assumes responsibility for subsequently supporting his or her position in the event of disciplinary action taken under provisions of Article VI (Disciplinary Conditions and Procedures).

When an employee who is represented by the Union is required to perform duties which are outside the range of skill in his or her classification or of the duties of parallel or lower level jobs in the same or related lines of work as described in the Job Profile Index, except as provided in Section 5.7 (Job Assignments During Inclement Weather) and as may be involved in going practices with respect to temporary promotion, the Union may file a grievance. If the grievance is sustained, the employee shall be paid for all work performed outside the skill range of his or her classification, from and after the date upon which the grievance is filed, at the rate called for under an appropriate classification. If the assignment of duties outside of the skill range of his or her classification is continued, the employee shall be

appropriately reclassified, subject to the seniority provisions of this Agreement.

Article IV

TOTAL COMPENSATION

4.1 – Pay Structure

(A) Base Wages:

The Weekly Pay Rates to be in effect from **April 1, 2002**, through **March 31, 2003**, and from **April 1, 2003**, through **March 31, 2004**, and from **April 1, 2004** through **December 31, 2004** are as set forth in Appendix A.

(B) Pay Days:

It is understood that each employee will receive payment at biweekly intervals and that payday shall be the Friday next succeeding the end of said intervals, unless Friday is a recognized holiday stipulated in Section 4.4(E) (Holidays), in which case payday shall be the preceding Thursday. In the event of a delay in the preparation or transportation of paychecks occasioned by circumstances not within the control of the Company, payday shall be the next day upon which the Company is regularly open for business.

When an employee is absent for authorized reasons on payday, he or she may request to have his or her check mailed to the address he or she has on file with

the Company or he or she may make other arrangements in advance that are satisfactory to the employee and his or her supervisor.

When one or more paydays will fall during an employee's vacation period, he or she may obtain one of such checks in advance by advising his or her supervisor at least one week before the beginning of his or her vacation.

(C) Less Than Satisfactory Employees:

Effective with the signing of the Agreement, employees rated Less Than Satisfactory (LTS) overall for attendance or an unsatisfactory accident record will not receive a general wage increase and/or, if applicable, a step-in-progression increase. The removal of the LTS rating requires one (1) year of satisfactory performance.

Effective with the signing of the Agreement, employees will not receive a general wage increase and/or, if applicable, a step-in-progression increase if they are rated LTS overall for unsatisfactory job performance. The removal of the LTS rating then requires an additional waiting period of 180 days of satisfactory performance from such removal.

When one year of satisfactory performance has been met as stated in the first paragraph above, or 180 days following removal of the LTS rating as stated in the second paragraph, the employee's wages will be as follows:

(1) An employee whose pay was at the top rate of pay shall be entitled to the top rate in the current schedule of Appendix A.

(2) An employee whose pay had not yet reached the top rate shall be entitled to the employee's step-in-progression rate in the current schedule of Appendix A at the time in the pay grade at which pay was suspended (time towards the next progression step will not be counted until the conditions in the first or second paragraph are met). Subsequent rate increases will follow the time intervals in the schedule of Appendix A.

(D) Pay Schedules:

The Weekly Pay Rates Listed in Appendix A shall be applied as follows:

(a) Upon Hiring: The Starting Rate is the minimum salary to be paid new employees when they enter the Company's service.

(b) When Classification is Changed: When an employee's classification is changed, his or her salary shall always be based upon his or her regular classification (as distinct from temporary upgrading), and shall be affected in accordance with the reason for the change as follows:

(1) In case of Promotion, Transfer, Bid or Other Move to a Higher Job Classification: When an employee is promoted, transfers, bids or otherwise moves to a higher job classification, he or she

shall be entitled to the lowest salary rate for the new classification that is at least $10.00 per week higher than his or her existing rate for his or her regular classification. However, the employee's rate of pay shall be no lower than any rate previously earned within the same type of progression and for the same or a lower classification existing in the progression in which the promotion or transfer occurs unless subsequent lower rates of pay resulted from demotions, transfers, bids or other moves to lower classifications or exercise of 56-day return rights.

(2) In Case of Transfer, Bid or Other Move to an Equivalent Job Classification: When an employee transfers, bids or otherwise moves to an equivalent job classification, he or she shall be entitled to his or her existing rate for his or her regular classification.

(3) In the Case of Transfer, Bid or Other Move to a Lower Job Classification: When an employee transfers, bids or otherwise moves to a lower job classification, he or she shall be entitled to the rate for the new classification that is next below his or her existing rate for his or her regular classification.

(c) After Assignment in Classification: If the employee is in pay progression in his regular classification, his or her first increase following assignment to the new classification shall be effective

on the date of his or her next scheduled increase in his or her former regular classification. If the employee is at the maximum scheduled rate for his or her regular classification, rate increases shall follow the time intervals in the schedule of Appendix A. If an employee at the maximum rate has accrued time in a classification that is in the same type of progression and is parallel or higher to the new classification, the employee shall be entitled to no less than the step and pay progression point attained in that classification since reaching maximum.

4.2 – Overtime

(A) Overtime Policy in General: It is the policy of the Company that employees who would be considered as subject employees according to the definitions of the Fair Labor Standards Act shall receive compensation for overtime worked. Such employees will be referred to as "Overtime" employees and when, in accordance with established practice, overtime is paid, the overtime rate shall be time and one half, except as provided under paragraph (G) (Extensive Overtime Work) hereof.

The Company and the Union mutually agree that overtime work will be held to a minimum and that compulsory overtime work will be avoided wherever feasible. It is further agreed that the Company retains the right to take alternative steps to avoid overtime work. Where overtime work is assigned, the opportunity to work overtime will be spread as equally as practicable on a calendar-year basis among those

qualified employees who perform the work on a straight-time basis at a given work location; subject, however, to the procedure outlined in the following paragraph hereof:

Overtime shall be tracked on a cumulative basis. Employees transferring into a work group during the year will be put on the overtime eligibility list at the overtime average for the group. **The method of zeroing out of overtime shall be determined annually through mutual agreement in shop committee. Failure to agree shall result in all employees being zeroed out on January 1st of each year.**

In order to maintain service to the public, it is agreed that the Company must and does reserve the right to require overtime work under certain circumstances. Nevertheless, this will be done only when, in the judgment of the responsible supervisor, the need for such work cannot adequately be met on a voluntary basis.

(B) Definition of Overtime: Overtime is defined as time worked prior to or after an employee's regularly scheduled working hours or time worked during nonscheduled working days.

(C) Overtime Calculation: Overtime will be paid for all time worked in excess of scheduled hours, computed to the nearest quarter hour.

(D) Time Sheets: Whenever overtime work has

been performed, an employee whose time sheet for payroll purposes is filled out by another person may upon request inspect the time sheet at the end of the workday, or may inquire at the beginning of the next working day by phone in those instances where the time sheet is filled out at another location or has been filled out after the employee is released from work.

(E) Overtime Meal Allowance: An employee will be provided a meal allowance of **$12.50** any time his or her working time is ten hours and 30 minutes or more, or if he or she works a short-notice call-out of four hours or more (actual working time and travel time) that does not continue into his or her regularly scheduled workday. In addition, a meal allowance will be provided every five hours of continuous work after the employee has worked the ten hours and 30 minutes, plus a time allowance of one-half hour in order to eat a meal.

A field employee working alone who has not been instructed otherwise may, if he or she has worked two and one half hours or more of extended day overtime under non-emergency conditions, choose to eat a meal either before or after completing work.

In the case of a crew, the employee in charge will make this decision and notify the dispatch office if a meal break is being taken before completing work. An employee may similarly receive a meal allowance if a short-notice call-out has caused the employee to miss his or her usual meal.

(F) Short Notice Call-Out: A short-notice call-out occurs if, with less than 12 hours notice, the employee is called out to work. Travel to and from a short-notice call-out which does not extend into the employee's regularly scheduled workday or which occurs on a scheduled day off is considered time worked and is paid. If the call-out extends into the regularly scheduled workday, travel time is not paid unless it is in excess of the employee's normal home to base commuting time.

If an employee is called out to work during a period not immediately preceding his or her scheduled workday, and is released from such duty prior to the commencement of his or her regularly scheduled workday, or is called out on his or her scheduled day off without having received at least 12 hours' notice prior to such call-out, the following shall apply:

(1) His or her travel time to and from work shall be counted as working time.

(2) For such a call-out, he or she shall be assured of receiving not less than two hours' time (working time plus travel time) at overtime pay, except that for a call-out dispatched to him or her on or after 11:00 p.m. and before 6:00 a.m., he or she shall be assured of receiving not less than four hours' time (working time plus travel time) at overtime pay.

(3) An employee who accepts such a call-out that is subsequently canceled before he or she leaves his or her home, shall receive the minimum overtime payment he or she would have been entitled to receive had the

employee actually reported to work.

The four-hour minimum overtime guarantee period (working time plus travel time) for employees working swing shift or graveyard shift is 2:00 a.m. to 9:00 a.m. for swing shifts and 10:00 a.m. to 5:00 p.m. for graveyard shifts in lieu of the four-hour minimum overtime period between 11:00 p.m. and 6:00 a.m.

If a minimum overtime guarantee period extends into an employee's regularly scheduled workday, he or she will continue to be paid at the overtime rate in lieu of straight-time pay to the extent necessary to satisfy the two-hour or four-hour minimum overtime guarantee period. The balance of his or her time worked during his or her regularly scheduled workday will be paid at the straight-time rate, except as provided below.

An employee called out on short-notice should be given a rest period of nine or more hours after release from duty if he or she does not have at least five continuous hours off (excluding working time and paid travel time) between: (A) 11:00 p.m. and 6:00 a.m. for day shifts; or (B) 2:00 a.m. and 9:00 a.m. for swing shifts, or (C) 10:00 a.m. and 5:00 p.m. for graveyard shifts.

The following conditions apply:

- Time not worked and not paid as travel on a two- or four-hour minimum is included as time off.
- In the absence of any instructions to the contrary, if the employee does not receive the five-hour rest period, the employee shall not return to the job until a lapse of

nine hours, or until the start of his or her next regularly scheduled shift, whichever comes later. If he or she does return voluntarily, overtime for the regular shift shall be waived.

- To the extent the nine hours off the job extends into the employee's regularly scheduled shift, the employee will be paid straight-time rate.

When an employee has returned home after completion of a short-notice call-out, or has had a call-out canceled as provided above, and is called out again on a short-notice basis within the period for which he or she is guaranteed pay as defined above (two or four hours), the employee shall be assured of receiving not less than the appropriate minimum pay period guarantee (two or four hours) from the time of the last call-out. In no event, however, will short-notice call-out guarantees be compounded.

Employees who use their personal cars, trucks, or motorcycles to report to the job or to their base location on a short-notice call-out that does not extend into the regularly scheduled workday shall be allowed 36.5 cents per mile per round trip of up to 60 miles, and the existing casual mileage rate per mile thereafter, subject to a minimum reimbursement of $5 per calendar day of such use (only one daily allowance for a single call-out that overlaps two calendar days). If the casual mileage rate is increased or decreased due to IRS changes, the prevailing casual mileage rate shall be used for all mileage driven. A personal car is one that is not a Company vehicle.

(G) Extensive Overtime Work:

I. Twelve-hour Rule

Under some conditions, an employee may be required to be on duty during an extended interval of time. Time worked includes required standby at the job site, base location, etc., but excludes time spent at home, motel, etc., and time not worked during a two-hour or four-hour call-out minimum. Travel time to and from work is paid if it does not coincide with the regularly scheduled workday. Double the straight-time rate is paid for time worked in excess of 12 continuous hours or 12 cumulative hours occurring at different intervals since the employee's last period of eight or more hours off the job. Double-time payments for time worked continue until a rest period of nine or more continuous hours is achieved.

(1) In calculating the 12 hours toward extensive overtime, all time worked since the last rest period of eight or more hours, including regularly scheduled shifts, time worked on short-notice call-outs, and travel time which does not extend into a regularly scheduled shift, are considered.

(2) A rest period is defined as the lapse of time occurring between being released from duty at the job site or at the base location, plus any paid travel time, and the time of reporting back to work. Paid travel time is not considered as part of the rest period.

A rest period of nine or more continuous hours off the

job is required between any period of time worked, as defined above, to avoid accumulation towards 12 cumulative or continuous hours or to stop double-time pay after employee is already in a double-time situation.

A rest period of nine or more continuous hours off the job is required between any period of time worked, as defined above, to stop double-time pay after an employee is already in a double-time pay situation for extensive overtime.

Time taken for meals at the job site in conjunction with work is considered working time. Ordinarily, mealtime is not considered working time; however, time is paid for meals eaten at the job site.

In the event that an employee is excused by his or her supervisor from working a portion or all of his or her regularly scheduled workday because the employee has been on an extended overtime assignment, the employee shall be paid at the straight-time rate for any such regular hours that are not worked.

The extent of excused time shall be determined by the mutual agreement of the employee and his or her supervisor after discussion of the work requirements of the job and the physical condition of the employee. If a dispute occurs, the decision of the supervisor shall stand at the time, but shall be subject to the grievance procedure in those cases where the employee believes the extent of excused time to have been insufficient because of his or her physical condition.

In the absence of any instructions to the contrary, after the extensive overtime work assignment is over, the employee shall not return to the job until a lapse of nine hours or the start of his or her next regularly scheduled shift, whichever comes later. If he or she does return sooner voluntarily, double-time payment shall be waived for all time worked after he or she returns.

II. Consecutive-Day Rule

When an employee works for seven consecutive days, and at least two (2) of the seven (7) days are scheduled days off, all time worked on the second scheduled day off, and any time worked on succeeding scheduled days off without a full day off, will be paid at double-time rates. This section covers full days and call-outs for partial days.

For purposes of determining eligibility under the Consecutive-Day Rule, days not worked, including paid and unpaid time, are not considered.

Employees who trade with other employees and thereby work on their scheduled days off, shall not be entitled to the double-time premium hereunder. Time worked on a traded day will not count toward eligibility for double-time pay under this section unless the traded day becomes a mandatory workday.

(H) Emergency Postponement of Lunch Periods: Operating emergencies may force unusually long postponement of the lunch period. In such circumstances, if the period is not started within the first

5-1/2 hours of the scheduled shift, the employees will be considered to have worked one-half hour outside their regular schedule and will eat their lunch as work permits.

(l) Planned Call-Out Policy: When an "8-hour" call-out is offered to employees on a holiday or on a scheduled day off, it is the Company's expectation and intent to provide 8 hours of work if such work is available. If during the day in question it develops that there is not enough work for everyone, the following procedure shall be followed, in sequence:

(1) Employees who call in shall be offered the opportunity to quit work before 8 hours if they wish to do so.

(2) Useful work shall be assigned to those who wish to continue working, to the extent practicable.

(3) If no useful work can practicably be assigned, the remaining employees shall be released. Paid "standby" is used only to the extent that the Company may decide it is needed to cover emergency needs.

If a planned call-out is canceled with less than 10 hours' notice, the affected employees shall receive two hours' overtime pay, whether or not they report to work at the previously established time of the planned call-out.

4.3 – Premiums

All premium rates listed shall be adjusted 3% effective April 1, 2003, and 3.25% effective April 1, 2004.

(A) General Statement: Employees who are scheduled and who work on the swing shift shall receive premium pay at the rate of **97** cents per hour worked on such shift. Employees who are scheduled and who work on the graveyard shift shall receive premium pay at the rate of **$1.23** per hour worked on such shift. A scheduled shift is one that is part of the 40-hour workweek (including holidays that fall within an employee's 40-hour workweek). **Employees who are scheduled to work and who work a combination of a regular eight-hour day and a swing or graveyard shift during a scheduled workweek of seven days shall receive triple the applicable premium rates herein and in paragraphs (C) and (D).** The foregoing premium rates do not apply to temporary and part-time employees.

(B) Definition of Shifts:

(1) Swing Shift: All shifts beginning on or after **12:00** p.m. but before **8:00** p.m. and all shifts beginning on or after 4:00 a.m. but before 6:00 a.m. shall be considered swing shifts.
(2) Graveyard Shift: All shifts beginning on or after **8:00** p.m. but before 4:00 a.m. shall be considered graveyard shifts.

(C) Split Days Off: Any full-time employee whose regular straight-time schedule for the workweek provides a day off that is not directly preceded or followed by another day off (whether or not within the same workweek) shall receive premium pay at the rate

of **45** cents per hour for work performed on such schedule throughout the week. An employee on such a schedule who has a scheduled day off on Tuesday, Wednesday, or Thursday, or an employee who works a six-day schedule with two scheduled half-days off, shall receive premium pay at the rate of **67** cents per hour for work performed on such schedule throughout the week.

(D) Sunday Work: Employees who are scheduled and who work on Sunday shall receive premium pay at the rate of **$2.15** per hour worked on such schedule. Employees who are scheduled and who work on the swing shift or the graveyard shift on Sunday shall receive shift premiums in addition to the Sunday premium.

(E) On-Call Pay: Employees who serve on on-call assignments must stay within 30 minutes' driving time of the employee's base location during the period of the on-call assignment. The employee has the responsibility of ensuring that his or her communications equipment (telephone, pager, radio) is working properly and to have such equipment at his or her disposal at all times during the on-call period. The employee shall immediately notify the Company of any malfunctioning communications equipment and agree upon an alternative means of contact. **By mutual agreement between the Company and the Union, alternative residency requirements for on-call employees may be established with regards to the "30 minute rule".**

Employees who serve on a week-long, on-call assignment during off-duty hours as a job requirement shall receive a premium of **$105** above their regular weekly rate for each week of such assignment and **$108** for a week-long, on-call assignment which includes a holiday. Employees who serve on weekend and holiday on-call assignments shall receive a premium above their regular weekly rate of **$59** for an ordinary weekend; **$80** for a weekend preceded or followed by a holiday; and **$40** for a holiday alone. Such premium shall be paid for the workweek that includes all or most of the time of the on-call assignment. Furthermore, for each on-call holiday on which the employee is not called out, an additional premium of **$32** shall be paid. On-call assignments of less than one week include all time after the close of work on the preceding workday to the start of work on the following workday.

If on-call assignments are established in additional groups that do not have such assignments as of the effective date of this Agreement, employees who are regular incumbents in the jobs affected shall have the right to refuse such assignments unless they have first been negotiated with the Union. It is understood, however, that on-call assignments may be required of employees who have been informed of the requirement prior to entering the job on a regular basis.

Except where only two qualified employees are based in the area, on-call assignments shall be made no more frequently than once every third week to any one

employee, except for necessary trading off for vacations, illness, etc., or for more frequent assignments that are strictly voluntary. In a few isolated locations having only two qualified employees (in or out of the bargaining unit), on-call assignments are rotated between those two. After on-call assignments have been established in a particular group, such assignments may be filled on a voluntary basis by mutual agreement in Shop Committee, as long as sufficient numbers of volunteers are available. Such arrangements, however, do not remove the normal requirement that the employee is subject to on-call if needed. Mandatory on-call in accordance with the provisions of this section shall be imposed whenever insufficient numbers of volunteers are available.

If an employee, in order to cover a potential emergency situation, (1) is assigned overnight to a specific motel or hotel away from home and is required to remain at that location to await possible calls to active work; and (2) within a period of 24 hours following the start of such assignments does not accrue overtime for paid travel time and working time of at least 8 hours, the Company shall grant such employee additional overtime pay up to a total of 8 hours. If the assignments continue beyond 24 hours, the employee will in the same manner be assured of receiving at least 8 hours' overtime pay for each 24 hours of the assignment, with prorated payments calculated to the nearest even hour for additional periods of less than 24 hours.

The employee shall also receive On-Call Pay according to the length of his or her assignment, in proportion to the On-Call premiums specified in this Section.

(F) Bilingual Premium: Employees who are qualified in a second language and are assigned bilingual contact responsibilities with customers, **and the position is identified in the System Wide Bid book as "bilingual"**, shall receive a premium of **47 cents per hour.**

Once assigned, employees with bilingual responsibilities may not voluntarily transfer to available non-bilingual positions within the job progression for one year.

4.4 – Benefits

(A) Vacation:

I. Vacation Allowance

Paid vacation is as follows: a regular employee who completes his or her first year of service shall be entitled to vacation pay in accordance with the following table:

Month of Employment	Days of Vacation
January and February	10
March	9
April	8
May	7
June	6
July	5
August	4
September	3
October	2
November	1
December	0

In and following the subsequent calendar year, two calendar weeks or 80 hours per year. In the calendar year in which the sixth year of service is completed and each calendar year thereafter — three calendar weeks or 120 hours per year. In the calendar year in which the 16th year of service is completed and each calendar year thereafter — four calendar weeks or 160 hours. In the calendar year in which the 24th year of service is completed and each calendar year thereafter — five calendar weeks or 200 hours. In the calendar year in which the 32nd year of service is completed and each calendar year thereafter — six calendar weeks or 240 hours. Service years are completed service with the Company, running from the day, month and year recorded as the official date of the employee's entry into such service.

In the calendar year in which the fifth year of service is completed and in each fifth year thereafter, a service anniversary vacation allowance of one calendar week or

40 hours shall be granted in addition to the employee's regular vacation allowance for that year.

If an employee returns after July 1 from a continuous absence from work of six months or more, the employee's vacation allowance for that year shall be reduced by one-sixth for each month or fraction thereof between July 1 and the date of the employee's return. Such reduction shall be calculated to the nearest full workday. Such reduction shall count toward the requirement set forth in the following paragraphs covering Conditions Governing Vacation Allowance that an employee must take a vacation of at least one workweek each year. If the employee already has had a vacation in the current calendar year, no reduction shall be applied in the following year.

II. Conditions Governing Vacation Allowance

Insofar as possible, vacations shall be scheduled on a voluntary basis with respect to the normal choice of the employee and the convenience of the Company. Vacation shall be scheduled in accordance with Company needs at any time during the calendar year. When convenient to the Company, an employee may schedule his or her current year's vacation to include the final week of the year, or to overlap into the following calendar year, providing the first day of such vacation is December 31 or earlier. An active employee may schedule the following year's vacation to begin on the first workday of the new year unless he or she is off without pay (or with pay for other than scheduled

vacation) at the end of the year. Subject to operating needs, such vacation may coincide with the previous year's allowance. However, an employee must work at least one day in the new year following an absence for reasons other than prior scheduled vacation before being entitled to the new year's Vacation Allowance.

Vacations are scheduled in minimum increments of whole days. Use of vacation allowances in one-hour increments may be authorized up to a maximum of the total scheduled shift for eight (8) and ten (10) hour schedules, when operating necessity permits, at the request of the employee or for Personal Business reasons when the Personal Business allowance is depleted.

Employees who take a vacation of at least one workweek may add the remainder to their vacation in a later year; provided, however, that the maximum vacation allowance that may be carried over from one year to the next is three calendar weeks or 120 hours plus any odd hours less than one day. Holiday credits earned during the year will not be counted in calculating the 120-hour maximum that may be carried over. **Unused holiday credits are carried over to the next year and remain holiday credits until used or cashed out when employee terminates or leaves the Company voluntarily.**

Should a recognized holiday, as provided herein, coincide with an employee's scheduled vacation time, equivalent time will be added to the employee's vacation

allowance. However, in order to grant prime vacation time to the maximum number of employees consistent with Company needs, vacation periods may be assigned in even workweek units. Should an employee be left with an odd day or two of vacation because of this requirement, he or she may to the extent necessary exceed the maximum accumulation of vacation at the end of that year upon application to the employee's supervisor.

Should an employee be off sick on his or her scheduled vacation time, the employee will be permitted to change his or her vacation to a subsequent date, which will not conflict with another employee's vacation. Any employee who shall become ill during his or her vacation period may be permitted to cancel the remaining period of such vacation and reschedule it for a date subsequent to the employee's return to duty and for a period which will not conflict with another employee's vacation; provided that such employee shall notify the appropriate supervisor of the situation at the onset of the illness and shall present appropriate written evidence of such illness upon return to duty.

An employee whose service terminates after the completion of his or her first year of service shall receive payment for any portion of his or her first year's vacation allowance that has not been used plus one-twelfth of the employee's second year's vacation allowance for each completed month of service in the employee's second service year. An employee whose service terminates after the completion of his or her second year of service,

or who terminates on or after July 1 in any subsequent calendar year, shall receive payment for any portion of his or her vacation allowance that has not been used. An employee who terminates before July 1 in the calendar year in which he or she completes or would complete his or her third or subsequent year of service shall be eligible for one-sixth of his or her current annual vacation allowance for each completed months of service in the calendar year. If, at the time of termination, an employee already has taken more of his or her vacation than the applicable prorated allowance provided above, the employee's final paycheck shall be reduced accordingly, unless such used vacation was completed two weeks or more prior to the last day of work.

III. Vacation Periods

Vacation periods shall be assigned to employees in strict seniority order. However, in order to assure seniority preference for their entire vacation period, employees who have accumulated extra vacation must declare their intention to use it by February 1. Employees who split their vacations shall have only one seniority preference, except that seniority preference may be applied to any remaining unscheduled vacation time after all other

employees in the scheduling group have expressed their first preference.

With the exception of those employees who change jobs or work locations under Article V, (Position Opportunity System) employees may carry with them one vacation period (consecutive days) of their choice which had already been approved and scheduled prior to the move.

IV. Buy or Sell Vacation Policy

Represented employees have the option to buy or sell vacation as follows:

- Employees may purchase or sell up to 40 hours of vacation in 8-hour increments.
- Any purchased vacation is used last.
- Any purchased vacation not used is forfeited.
- Annual base pay as of August 31 is used to calculate purchased or sold vacation. (This date is currently used, and may be changed in future years to accommodate administrative requirements.)
- The election to buy or sell occurs annually and only during open enrollment. Purchased vacation is paid for by payroll deduction. Sold vacation is paid in one lump sum.

(B) Sickness Allowance:*

Short-term Annual Accrued Sickness Allowance:
Employees in active service who have completed six months or more of regular employment shall receive the following accrual of short-term annual sickness allowance when absent due to sickness or injury:

Completed service by end of calendar year in which disability begins	Full pay allowance after the first six months of service for the following number of days or calendar weeks during any calendar year	
	Calendar Weeks or Working Days	Equivalent or Working Hours
6 months	1 week	40 hours
1 year	1 week	40 hours
2 years **or more**	2 weeks	80 hours

*Effective January 1, **2003**

Fifty percent of an employee's short-term annual accrued sickness allowance may be used to attend to an illness of the employee's spouse, child, or parent as those terms are defined in California law. The Company reserves the right to verify the illness of an employee's spouse child or parent according to California law.

Definition of Current Term Sick leave: any illness that is 3 days **(24 hours)** or less.

Extended-term Paid Sickness Leave:

Employees in active service who have completed **three (3)** years or more of regular employment shall receive the following Extended Term Paid Sickness Leave, in addition to the Short Term Annual Sickness Allowance:

Completed service by end of calendar year in which disability begins	Calendar Weeks or Working Days	Equivalent or Working Hours
3 years	**1 week**	**40 hours**
4 years	**1 week**	**40 hours**
5 years	**2 weeks**	**80 hours**
6 years	**3 weeks**	**120 hours**
7 years	**4 weeks**	**160 hours**
8 years	**5 weeks**	**200 hours**
9 years	**6 weeks**	**240 hours**
10 years or more	**7 weeks**	**280 hours**

Any portion of an employee's "Extended Term Paid Sickness Leave" which has been used during any calendar year will be replenished the first day of the next calendar year. An employee's Extended Term Paid Sickness Leave is not an annual accrual and is not subject to use for spouse, child or parent.

Any employee whose extended sick leave has been exhausted may elect to apply unused Current term sick allowance to his or her extended sick leave allowance.

Completed service with the Company runs from the day, month, and year recorded as the official date of the employee's entry into such service.

The Extended Sick Leave of an employee who will have completed ten or more years of service by the end of the calendar year in which a disability begins shall be increased by four weeks (160 working hours) if he or she

has been absent because of illness or injury less than 160 hours in the previous five calendar years (averaging less than one week per year). Unpaid absence shall be included in calculating said 160 hours, but absence because of industrial accident shall not be included. Once an employee has earned the "bonus" allowance of 160 working hours as defined in this paragraph, it shall remain a part of his or her Extended Sick Leave to be reduced only by the extent to which he or she may receive more than **280** working hours of Extended Sick Leave in any calendar year. If the "bonus" allowance is so reduced, it may be restored to 160 working hours by another period of five consecutive calendar years in which the employee is absent because of illness or injury less than 160 hours.

Sickness Allowance shall not be paid by the Company for time lost by an employee due to occupational injuries or disabilities arising out of or in the course of any gainful employment with an established employer other than the Company, subject to the California Workers' Compensation Law.

Conditions Governing Sickness Allowance:

An employee who is unable to work due to sickness is required to notify his or her supervisor, or someone designated to receive such notice, as promptly as possible. In a line of work in which a substitute must be secured for each absent employee, the supervisor in charge shall determine and post the time and conditions under which advance notice of absence due to sickness

shall be furnished. Notice of absence due to sickness may be given personally by the employee or through another person. When notice is not provided, Sickness Allowance shall be paid only when the disability is verified by a physician, and when the employee furnishes evidence that circumstances beyond his or her control prevented giving notice.

The Company reserves the right to verify the disability of any employee through its own medical staff or by requiring a doctor's certificate in connection with the payment of Sickness Allowance or Disability Benefits. With the exception of employees who have open workers' compensation cases, and thus recourse through an Agreed Medical Examiner, when there is a disagreement between the employee's medical doctor or psychiatrist and the Company medical staff regarding whether the employee is medically able to work, a third doctor shall be randomly selected from a list provided by the Los Angeles County Medical Association. The list shall include six general practitioner M.D.s and six specialists in each major specialty category, and random selection shall be through the Disability Management Services.

If the Company medical staff's decision is upheld, the employee shall pay the full cost of obtaining the third opinion and no Sickness Allowance nor Disability Benefits will be granted. If the employee's doctor's opinion is upheld, the Company will pay for the third opinion and transportation costs and will grant Sickness Allowance/Disability Benefits (if available) for the actual

time of illness. Upon returning to work from a disability, an employee will receive the allowance he or she would be entitled to for the current year. Such an employee who returns to work, but then must leave work within a period of 180 days for reasons related to the original disability, will be immediately reinstated to the disability payroll without benefit of any sickness or vacation allowance. Such an employee who is assigned to light duty without change in classification, but is returned to disability because of lack of light duty work, shall not be eligible for a new annual Sickness Allowance but shall be eligible for a Vacation Allowance in the new calendar year.

Any employee whose Sickness Allowance has been exhausted may elect to apply unused Vacation Allowance, including any holiday credits earned under the provisions of Section (E) (Holidays) below, for which he or she was eligible at the commencement of his or her absence, for additional absence on account of sickness or injury. If sufficient unused Vacation Allowance is available, the waiting period of 60 calendar days prior to the effective date of Disability Benefits under the Pension and Benefit Agreement may be extended until the first day after all or any part of such Vacation Allowance has been used.

(C) Industrial Accident Allowances:

Any regular employee who has completed six months of service and who is injured in an accident under which he

or she is entitled to the benefits of the California Workers' Compensation Law shall have his or her compensation payments supplemented by the unused Sickness Allowance provided by Section (B) (Sickness Allowance) above, in the following manner: his or her current unused Sickness Allowance at the onset of the industrial disability figured in dollars shall be available to raise his or her total payments to equal straight-time pay for the scheduled working hours until such Sickness Allowance shall have been exhausted. If sufficient unused Sickness Allowance is available, the waiting period of 60 calendar days prior to the effective date of Disability Benefits under the Pension and Benefit Agreement shall be extended until the day that such Sickness Allowance is depleted to the point that it produces a lower benefit than the employee is eligible for under the Disability Benefit Plan. After a portion of the employee's Sickness Allowance has been used as provided for above in case of industrial disability, any remaining portion of his or her Sickness Allowance figured in dollars shall be available for application in subsequent cases of sickness or industrial injury during the same calendar year.

Unused Vacation Allowance may be applied in the same manner, on the basis set forth in Section (B) (Conditions Governing Sickness Allowance), provided that any remaining portion of the Vacation Allowance figured in dollars shall be rounded to the nearest full day and considered to be unused vacation.

(D) Family Care Leave:

Conditions of Leave:

(1) A family care leave of absence without pay may be granted to a full-time employee who has completed six months of employment and who wishes such leave:

a. for the birth of the employee's child and to care for the newborn child;

b. for the placement with the employee of a son or daughter in connection with adoption or foster care; or

c. to care for the employee's spouse, son/daughter (biological, adopted, foster, stepchild, or legal ward), or parents (biological or viewed as such) with a serious health condition. For the purpose of this policy, a serious health condition means an illness, injury, impairment, or physical or mental condition that requires participation of a family member to provide care during a period of incapacity, treatment or supervision that involves either inpatient care in a hospital, hospice, or residential health care facility, or continuing treatment or supervision by a health care provider.

(2) An employee may take up to a maximum of six months unpaid leave within a two calendar year period (24 months). Except that should an employee use more than three months of leave in the first calendar year, the employee will be eligible for an additional 12 weeks of leave at the beginning of the second calendar year under FMLA and CFRA (California

Family Rights Act). In order to be considered a leave, an employee's request for absence must be more than three working days.

Such leave may be taken intermittently or on a reduced work schedule subject to the supervisor's concurrence, or as required by applicable federal and state laws.

(3) For purposes of tracking and determining maximum leave, a calendar year shall be used (January through December).

(4) Such leave (or any extension of leave) requires written notice to the Company indicating the length of time required and expected return to work date of the employee. An employee must provide the Company with at least 30 days advance notice before such leave is to begin if the leave is foreseeable. If 30 days notice is not practical because of medical emergency or a change in circumstances, or the leave is not foreseeable, notice must be as soon as practical.

In the instance where leave involves care of a family member, the Company may require the employee's request be supported by a certification issued by the health care provider.

(5) An employee's entitlement to leave for a birth or placement for adoption or foster care expires at the end of the twelve-month period beginning on the date of birth or placement.

(6) In the case of a request for intermittent or reduced

schedule leave, the Company may temporarily transfer the requesting employee within their present location to an available alternative position of equivalent pay and benefits which the employee qualifies for in order to accommodate the request.

(7) While on leave, employees shall accumulate seniority for the period of such leave if they return to work upon conclusion of the leave.

Leave Substitution:

Absences taken for a serious health condition will reduce the amount of family care leave for which an employee is eligible except that pregnancy disability shall not reduce leave entitlement under Section II.A.1.a.

Continuation of Benefits During Leave:

(1) Medical, Dental, Vision and Basic Life Insurance: An employee may elect to continue his or her medical, dental, vision and life insurance coverage at the active employee rate for 12 weeks of such leave. The 12 weeks is reduced by any period of time during the calendar year the employee is absent due to a serious health condition or other family care leave during which the employee was receiving these benefits. If leave continues past 12 weeks, the employee shall be responsible to pay the total costs (employee and Company) of these benefits in order to continue coverage, except as otherwise provided by Company policy.

(2) Employee-Paid Life Insurance and Accidental

Death and Dismemberment (AD&D): An employee may elect to continue employee-paid life insurance and AD&D during leave. In which case, the employee will be responsible for the full cost of coverage.

(3) If a leave occurs during the annual open enrollment period, an employee will have the same options that would be available if the employee were on active status.

Arrangements to continue coverage should be made with Employee Benefits as early as possible following approval of leave in order to ensure uninterrupted coverage. Should an employee not return to work from leave, the Company will be entitled to reimbursement for the Company's contribution for medical, dental, vision and basic life insurance premiums paid during the leave. Recovery may be made through deduction from any final pay due the employee.

Use of Paid Absence in Conjunction with Leave:

If a leave request is for intermittent absence or a reduced schedule, an employee may, at the time of departing on leave, use available vacation, holiday credit and personal business allowance to substitute for unpaid leave. Use of such paid time will not extend the duration of the leave period.

If a leave request is for more than ten consecutive working days, employees will be paid for all available vacation at the commencement of such leave in

accordance with Section 4.4 (Conditions Governing Vacation Allowance).

Termination:

An employee is subject to termination if the employee:

(1) misrepresents the reason for a leave;

(2) engages in other employment while on leave without notifying the Company and receiving prior approval;

(3) fails to report to work on or before the expiration of the leave;

(4) fails to obtain a leave extension when additional absence is needed;

(5) fails to provide the Company with necessary health certification.

Return From Leave:

An employee returning from a family care leave shall be returned to his or her regular classification or an equivalent classification at the same location within five working days of notice by the employee. Should an employee determine during the leave that the entire leave period requested will not be needed, the employee must notify the Company and return to work within five working days.

(E) Holidays:

The holidays observed by the Company are:

New Year's Day	Labor Day
Martin Luther King, Jr's Birthday	Veteran's Day (Nov. 11)
Presidents' Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving Day*
Independence Day	Day before Christmas
	Christmas

The Day before Christmas holiday shall be observed on December 24, except when Christmas is on Sunday or Monday, when it shall be observed on the preceding Friday.

In addition, upon completion of six months of service, each employee shall be eligible for two holiday credits in the current calendar year and in each calendar year thereafter in which the employee is actively at work during some portion of the year. These holiday credits will be treated as additional earned holiday credits as provided below. By giving his or her supervisor at least two weeks' advance notice, any employee may elect to have one of these holidays on his or her birthday. If the employee's birthday falls on a day off, the employee may specify the workday nearest his or her birthday. If the employee's birthday falls on a single day off, he or she

*Consistent with work load and public service requirements, certain employees may be scheduled to work on this day.

may specify either the workday preceding or the workday following. Employees whose birthday is February 29 shall exercise their holiday option as of February 28. The Company further agrees, with the same advance notice, that it shall make every reasonable effort to allow employees to use their holiday credits to meet a bona fide religious need to take a day off for a religious holiday or function, subject only to the right of the Company to require attendance in an operating emergency.

Employees may be scheduled to work Sundays as part of their regular schedule, where operations or service require the maintenance of such schedules, without becoming eligible for overtime compensation.

(1) If any of the holidays observed by the Company fall on Sunday, it shall be observed on the following Monday.

(2) If an employee works one or more of the recognized holidays on a regular shift, the employee shall receive overtime pay for that day or may elect to have equivalent time off added to his or her holiday credits.

(3) If a holiday falls on Sunday, or if Christmas falls on a Sunday or Monday, and is part of the employee's regular schedule, he or she may elect to receive overtime pay for the actual holiday or to have equivalent time off added to his or her holiday credits. The actual holiday shall be in lieu of the Company-observed holiday and the employee must work the actual holiday.

(4) All time worked after eight hours on a holiday shall be paid at double the straight-time rate.

(5) If a recognized holiday coincides with an employee's scheduled day off, the employee shall have equivalent time off added to his or her holiday credits.

(6) Holidays added to an employee's yearly holiday credits may be taken at any time after the holiday occurs.

(7) If an employee terminates his or her employment before his or her additional earned holiday credits have been used, the employee shall receive one day's pay at straight-time for each day of unused credit, at the rate in effect at the time of the employee's termination.

(8) The Weekly Rates in Section 4.1 (Pay Structure) include payment for the holidays which occur within the employee's working schedule.

(F) Leaves: Military and Personal

I. Military Leave of Absence

Any regular employee of the Company who enters the armed forces of the United States under the provisions of the Uniform Services Employment and Reemployment Rights Act of 1994 or any amendment thereof shall be subject to the practices outlined in this Section (probationary

employees shall be entitled to the benefits provided by law):

(1) Any such regular employee shall automatically receive Leave of Absence for the full period of active duty required, with no impairment of seniority, and with the right to return to work if requested by him or her within the 90 calendar days next following the end of such active duty, provided the Company's circumstances have not so changed as to make such return to work impossible or unreasonable. However, Life Insurance and Disability Insurance Benefits as provided by the Life Insurance Plans and the Disability Benefit Plan shall be suspended during the term of such leave.

(2) The employee shall be entitled to pay for any vacation he or she may have coming at the time the employee is called to or volunteers for such active duty and, in addition, will be granted one week's time with pay as a military separation allowance. An employee returning from active duty whose vacation allowance is reduced by one week or more in the calendar year in which he or she returns will be granted one extra week of vacation in the following year.

(3) The following time allowances and Leave of Absence practices shall be observed where employees are called out for short-term encampments, and

intensive military training periods of less than one year: employees who are members of the Officers' Reserve, National Guard, Naval Reserve, and like organizations, will be allowed annually, in addition to their regular vacation, one week's time with pay for attendance at encampments or other prescribed training. The one-week allowance may be made in any units of one working day or more that the employee is required to be absent from his or her job. In lieu of such one-week pay allowance, an employee may elect the following alternative, provided such election is made in writing in advance of such leave, and provided further that such election must apply to the entire extent of such leave in that calendar year: For such attendance at encampments of not to exceed two workweeks or ten working days in any one year, the Company will pay such employee the amount, if any, by which the remuneration he or she receives from the Government is less than his or her regular Company pay would have been for the same period. Such items as subsistence, travel, uniform, and other allowances will not be included in computing the remuneration received from the Government. The Company will require satisfactory evidence of attendance.

If still more time is needed for the Guard or Reserve activities, employees may be allowed time off without pay for attendance, under regularly authorized Leave of Absence.

II. Personal Leave of Absence

Upon written application to his or her supervisor, a regular employee may be granted a leave of absence without pay and without loss of seniority, for a period of

30 calendar days or less for personal reasons other than to work for another employer, provided that adequate arrangements can be made to take care of the employee's duties without undue interference with the normal routine of work as determined by the Company.

Such leave of absence shall become effective on the date and at the time the employee is first absent from work by reason of such leave and shall terminate as of the date and time the employee resumes active work. It shall be understood that during such leave of absence the employee is not carried on the payroll and that he or she will not be paid for any holiday occurring during the leave. However, in cases of leaves of absence granted under this section or for short-term military encampments as described in the above section on Military Leave of Absence, an employee will be granted holiday pay for a holiday observed on his or her regular working day immediately preceding the employee's return to work. In the event a shortage of work occurs while an employee is on leave of absence, such employee will be considered as if at work, and any necessary reclassification or layoff shall be governed by his or her seniority rights and qualifications as compared with those of all other employees affected. An employee on leave of absence at the time of a layoff for lack of work shall be entitled to rehiring rights as though he or she had been at work at the time of such layoff.

Where an employee does not return to work upon expiration of a Personal Leave of Absence as provided above, the employee's employment is terminated. In such circumstances, where an employee who has completed five or more years of service prior to his or her termination, is unable to return to work because of a severe illness or injury to a member of his or her immediate family, and is re-employed by the Company within one year of the date of his or her termination, the employee shall upon re-employment be credited with the seniority accrued by the employee up to the time of his or her termination. In addition, the employee shall be reinstated with regard to Sickness and Vacation Allowances. The employee's status under the Life Insurance, Disability Benefit, Pension, and Savings Plans shall be determined in accordance with the then existing rules of said Plans.

(G) Personal Emergencies:

(1) Personal Business Time – General

Employees who have completed six months of service may be authorized time off with pay for any legitimate purpose that cannot be attended to during non-working hours and does not unduly interfere with normal operations. It is understood and agreed that an employee shall be required to inform the appropriate supervisor prior to taking the personal business time as to the reason for any absences in order that the Company may determine whether or not pay shall be sustained for all or part of such absences. The number

of Personal Business hours for each employee shall be 16 hours per calendar year.

Personal Business will be used for "snow days."

(2) Bereavement/Emergency Illness Time

Employees who have completed six months of service are eligible for Bereavement/Emergency Illness pay. The number of Bereavement/Emergency Illness hours for each employee shall be up to 24 hours per occurrence with a maximum of 48 hours per calendar year.

Pay is sustained for death of a member of the employee's immediate family or the immediate family of the employee's spouse. For Bereavement/Emergency Illness pay purposes, immediate family includes: employee's spouse, child, parent, brother, sister, grandparent or grandchild. Also included are legally declared relationships such as adopted or step relatives in the immediate family or the spouse's immediate family as defined above.

For the purpose of this Section, the term "spouse" shall include domestic partner, but does not include the immediate family of the domestic partner.

Emergency illness is defined as a life-threatening event of sudden onset requiring hospitalization or deterioration of an existing condition where, in either case, death appears imminent.

Pay is sustained to enable the employee to be with a

family member or the family of the employee's spouse during an emergency illness where death appears imminent.

Verification of death or illness of family member may be requested by supervision.

Attendance at scheduled or non-emergency surgery where death is not probable or illness not of the nature defined above does not qualify for Emergency Illness time-off. These may be chargeable to Personal Business time-off.

(H) Jury Duty:

Employees shall be granted time off with pay for one period of jury duty service once every three years.

(I) Patents:

An employee is required to notify and disclose to the Human Resources Department in writing all inventions or improvements made or conceived by him or her during his or her employment relating to any phase of the Company's work or investigations, before filing any patent applications relating to such inventions and improvements. Promptly following such notification and disclosure, the Company shall advise the employee of its decision as to one of the following courses of action, provided that it determines that public disclosure of such inventions or improvements will not do harm to the Company nor reveal important confidential information:

(1) The Company will give the employee a written

release as to all rights in the inventions or improvements; or

(2) The Company will give the employee a written release as to all rights in the inventions or improvements, subject to retention of shop rights by the Company; or

(3) The Company will pay the costs of filing a patent application in the United States relating to the inventions or improvements and will pay the costs of prosecution of such patent application before the primary examiner in the Patent Office but shall not be obligated to pay costs for appeals nor interferences. The employee may take over prosecution of the application at any time upon 30 days written notice to the Company, and at his or her own expense. The Company retains a royalty-free, paid up, nonexclusive license, and the employee is free to exploit the patent and the inventions and improvements subject to such license.

No provision of this Agreement is intended to require assignment of any of the employee's rights in an invention if no equipment, supplies, facilities or trade secret information of the Company was used, and the invention was developed entirely on the employee's own time; and the invention does not relate to the business of the Company or to the Company's actual or demonstrably anticipated research or development; or does not result from any work performed by the employee for the Company.

(J) Employee's Personal Vehicle Insurance:

Consistent with Company Procedure 100.0130 with respect to the employee's use of his or her personal vehicle on Company business, the Company agrees to indemnify the employee for liability loss not covered by personal insurance and for physical damage to the employee's vehicle within the insurance deductible or in excess of coverage but not to exceed $500. Liability indemnification is contingent upon an employee having a valid policy of liability insurance for the vehicle. In no event shall the Company provide any indemnification or pay for any damage to the employee's vehicle if the Company ascertains that the employee:

(1) Has been driving while under the influence of alcohol or any other drug or substance which can impair his or her ability to drive.

(2) Has been driving recklessly.

(3) Has willfully caused the damage or liability.

4.5 – Special Provision

(A) Uniforms: To provide uniform appearance and ready identification, certain employees shall wear uniforms prescribed by the Company while performing their work. These uniforms shall be worn only in the course of the performance of this work, including related wear to and from the employee's home. The uniforms will consist of shirts and trousers for employees regularly performing this work and shirts for employees temporarily performing it. Uniform jackets will also be

worn as required for employee comfort. The shirts and jackets will bear Company emblems.

The Company will provide sets of uniforms in appropriate quantities to the employees assigned this work as a part of their regular duties. Shirts in appropriate quantities and a jacket if required for employee comfort will be provided to employees assigned this work on a temporary basis.

Employees provided uniforms will maintain them in a manner consistent with appropriate grooming for the work being performed, and will not allow them to be worn by anyone else.

Uniforms provided by the Company will be returned when replaced by the Company and when they are no longer required in the course of the employee's work assignments.

When purchasing uniforms for Meter Readers, walking shorts may be substituted for pants unless the supervisor believes such attire is a safety hazard. The decision of the supervisor will not be subject to arbitration.

The following classifications will be furnished uniforms suitable for work in which they are engaged:

Commercial Service Technician
Construction Technician
Energy Technician Distribution
Energy Technician Residential
Facilities Mechanic
Facilities Helper
Field Collector
Lead Construction Technician
Lead Electrician
Lead Facilities Mechanic
Lead Field Collector
Lead Fleet Technician
Lead Instrument Shop Mechanic
Lead Meter Mechanic

Field Planning Associate
Field Technician
Fleet Assistant
Fleet Technician
Industrial Service Technician
Instrument Shop Mechanic #1
Instrument Shop Mechanic #2
Journey Electrician
Journey Facilities Mechanic
Lead Meter & Regulator Technician
Logistic Representative
Measurement Electronics Technician
Meter Reader
Meter & Regulator Technician #1
Meter & Regulator Technician #2
NGV Station Technician

The following classifications will be furnished jackets:
Construction Technician
Energy Technician Distribution
Energy Technician Residential
Field Technician
Lead Construction Technician

The following classifications will be furnished uniforms when they are regularly assigned to perform leak surveys or take Cathodic protection readings on private property:

Field Technician
Lead Planning Associate
Lead System Protection Specialist
Planning Associate
Pipeline Planning Assistant
System Protection Specialist

(B) Coveralls: In general the Company will not undertake to furnish working clothes to employees, but the Company will provide coveralls for employees whose duties are such that it is impracticable for them to keep their clothing neat and clean and who come in contact

with the Company's customers or with the public while performing such duties.

Eligibility for Coveralls: Three classes of employees will be furnished with coveralls, viz.:

(1) Employees who regularly use them and who leave them in their lockers, etc., at the end of the day.

(2) Employees who occasionally require coveralls and who keep them available for use in vehicles driven by them in the performance of their duties.

(3) Employees whose normal duties do not require them to use coveralls but who, on occasion, perform a job for which the use of coveralls is authorized and who are permitted to use them on each such specific job. These coveralls are to be returned promptly upon the completion of each job.

Coveralls for Regular Use: Employees in the following classifications will be regularly supplied with coveralls, and, unless they go directly from home to a field job, will not take them home at night. Employees who go directly from home to the job site will be permitted to take coveralls home with them provided that they do not use them except on Company business.

Construction Technician
Field Technician
Fleet Assistant
Fleet Technician
Gas Storage Specialist
Instrument Shop Mechanic #1
Instrument Sop Mechanic #2
Instrument Specialist
Lead Construction Technician
Lead Fleet Technician
Lead Instrument Shop Mechanic
Measurement Specialist
Mechanic #2
Pipeline Technician
Senior Instrument Specialist
Station Maintenance Specialist
Station Technician
Transmission Pipeline Specialist
Transmission Welding Specialist

Coveralls for Intermittent Use: Employees in the following classifications will be issued coveralls and may carry them in vehicles driven by them for use when the occasion warrants:

Commercial Service Technician
Energy Technician Distribution
Energy Technician Residential
Field Collector
Field Technician
Lead Field Collector

Coveralls for Unusual Jobs: Employees whose normal duties do not require them to use coveralls, such as station personnel and office workers, may obtain coveralls for use on a specific job which is of short duration and which involves undue soiling of regular clothes worn by such employees. For example, if such

employees are required to inspect vaults, or assist employees working in a classification normally assigned coveralls, they may, upon approval of an authorized supervisor, obtain coveralls for the period of the assignment. Sr. Logistics Representative and Logistics Representative may obtain coveralls for "night loading" operations without specific authorization from a supervisor.

(C) Jackets: The Company will provide winter jackets for employees located at the following bases: Rim Forest, Beaumont, Lancaster, and Yucca Valley. The Company will also provide extra jackets for use by employees working temporarily at these locations. In addition, jackets will be provided and maintained at the Bakersfield Base for use at mountainous areas and at times of extremely cold weather.

In addition, each employee holding the regular classification of Transmission Technician, Storage Specialty at Aliso Canyon and Honor Rancho Underground Storage Field will be assigned one (1) parka-type jacket. Furthermore, parkas will be provided and maintained at Transmission bases for employees who are required to work in extremely cold weather. Management will determine the bases which meet the cold weather criterion and the number of parkas assigned to each base.

(D) Footwear: Qualifying positions that require construction quality boots that provide ankle protection

will be paid a yearly allowance of $70.00 during the second pay period in July.

The allowance is limited to those qualifying employees who are on the active payroll as of the first day of the pay period in which the allowance is to be paid.

(E) Moving Expense: It is understood and agreed that reasonable moving expenses, limited to the actual cost of transporting furniture and subject to approval in advance by the Company, shall be paid by the Company only under the following circumstances:

(1) When an employee is transferred from one Region to another solely for the convenience of the Company. In such cases, if it is impossible to give such employee notice of the proposed transfer to permit him or her to arrange in advance for a place to live convenient to the Region to which he or she is transferred, he or she shall be given such board and lodging allowance as may be mutually agreed to in each case.

(2) When an employee who is transferred as a result of a layoff under the provisions of Section 7.1 (Seniority in Layoff) moves to a residence at least ten miles closer to his or her new work location; provided that none of the options available to the employee under Article VII would provide the employee an equivalent or higher classified job within the same work location, or an equivalent or higher classified job outside his or her work location that is within twenty miles of his or her then existing work location.

(3) To be eligible for reimbursement for moving expenses under the provisions of this Section, the employee must move his or her residence within three months following his or her transfer; except that upon written notification to his or her supervisor or to the Human Resources Department within this three-month period he or she may secure an extension of the time limit to six months following his or her transfer. Beyond this, the Company may grant a reasonable further extension of time to an employee who is attempting to arrange a move but encounters delays beyond his or her control.

(F) Overnight Expense: In the case of a Company-ordered temporary transfer where the job location makes it necessary for the employee to remain away from home overnight and requires the purchase of meals, lodging, transportation, etc., the Company agrees to reimburse the employee for such expenses.

Article V

WORK FORCE FLEXIBILITY/WORK SCHEDULES

5.1 – General Statement

Eight hours shall constitute a regular day's work, and 40 hours shall constitute a regular week's work. Except in special situations, the regular work schedule of the construction and operating forces of the Company shall consist of a five-day week. Certain office employees whose primary work load varies in relation to telephoned

orders from the public may be required to work four eight-hour days and two four-hour days a week without overtime payment. Such schedules shall be filled on a voluntary basis to the extent practicable. Otherwise the schedules shall be rotated equally within the group unless other arrangements are agreed upon in Shop Committee.

Work performed on a shift basis may be scheduled without reference to the calendar week, but shall not exceed 40 hours in the scheduled workweek of seven days.

In general, the policy as to work schedules is that:

(1) Regular work schedules shall be set and made available to employees in advance.

(2) Schedules shall be limited to the 40-hour week and eight-hour day except when the excess time worked is paid at the overtime rate.

(3) Modification of schedules is restricted to definite work requirements.

(4) When in the judgment of the Company it is practicable to do so, work schedules providing optional starting and quitting times will be offered to employees in certain working groups and shall be chosen by qualified employees in seniority order.

5.2 – Workday and Workweek

All hours worked beyond 40 straight-time hours in any workweek of seven calendar days and beyond eight

straight-time hours in any calendar day shall be paid at time and one-half; provided, however, that all work performed consecutively beyond eight straight-time hours, whether or not within a single workday, shall be paid at time and one-half.

5.3 – Modification of Schedules

As general policy, work schedules shall be changed on short notice only when unavoidable and only when required to meet operating and other bona fide Company requirements. Additional hours worked before or after an employee's regular schedule do not constitute a schedule change. Hours worked outside of the employee's regularly scheduled shift are paid at the overtime rates as defined in Section 4.2(B) (Definition of Overtime). If the scheduled 40-hour workweek includes any day on which the starting time is more than two hours earlier than the starting time on the previous calendar day, if any, overtime shall be paid for the time worked on the entire shift.

There are two general types of changes in schedules which may be made:

(1) Changes in Scheduled Hours Within the Scheduled Day

An employee's scheduled work hours may be shifted within a calendar day, without payment of overtime, only when he or she is given 24 hours advance notice as follows:

(a) If his or her schedule is changed to a later hour in

the day than that at which he or she has been scheduled to report, the notice must be given 24 hours in advance of the time at which he or she was scheduled to report for work before the change.

(b) If his or her schedule is changed to an hour that is up to, and including, two hours earlier in the day than that at which he or she has been scheduled to report, the notice must be given 24 hours in advance of the earlier hours at which he or she is to report.

When such notice is not given, all hours worked outside the hours included in the old schedule shall be paid at the overtime rate. In any event, if the starting time for the new schedule is more than two hours earlier than the starting time of a scheduled shift on the previous calendar day, overtime shall be paid for time worked on the entire shift.

(2) Changes in Scheduled Days

Changes in a work schedule involving the shifting of working days and days off may be made without the payment of overtime providing the following two requirements are met:

(a) That the new schedule meets the same requirements as the old with regard to the 40-hour week and eight-hour day.

(b) That notice is given at least 30 hours in advance of the time at which the employee was to have reported under his or her old schedule or 40 hours in advance of the new reporting time for the new schedule,

whichever is earlier.

If these advance notice requirements are not met, payment at the overtime rate will be made for all hours worked on any day that was a day off under the old schedule.

5.4 – Job Site Reporting

The Company, at its option, may require employees to report for work and to end their workday at specific job sites other than their regular bases, provided that employees will be paid excess time and mileage where incurred to report to and leave from a job.

Further, employees who regularly drive Company vehicles in the performance of their work may volunteer to report to work at locations other than their regular bases and return home in their assigned Company vehicles. These employees shall earn no additional compensation for such job site reporting provided that the work sites are within the normal commuting area and normal commuting time of their operating base and that the employees incur no costs for driving or parking the vehicle.

5.5 – Special Work Schedules

(A) Customer Services Field Employees: Regular work schedules, with Saturday as a regularly scheduled workday, will be established for customer service field employees where in the judgment of management it is practicable to do so and sufficient coverage is available. The schedules will be set in advance and no two

consecutive Saturdays will be part of the regular schedule.

The Company will also examine the issue of work schedules in the Call Centers and attempt to accommodate employees' desires not to work consecutive weekends. However, it is not known if this can be accomplished and this is not a binding commitment.

(B) Commercial Technicians and Industrial Technicians: Effective the date of the signing of this Agreement, the Company may establish regular work schedules with Saturday and Sunday as a regular workday for Commercial Technicians and Industrial Technicians, provided that (1) employees subject to these schedules will not be assigned split days off without their express consent and (2) the Company will not schedule employees on two consecutive Sundays. Notwithstanding, paragraph (A) above will not apply to these classifications.

5.6 – Work Assignments of Relatives

Related persons may not be given or continue in work assignments which require one relative to direct, assign, appraise, or check the work of another, or permit one relative to have access to the personnel records and/or local departmental files of another. Whenever one of these prohibited working relationships is established, one of the employees must transfer to a position which eliminates the relationship or resign. If neither employee chooses to move, the less senior employee will be

required to do so or be terminated. The Company will allow 90 calendar days following the establishment of the prohibited working relationship to eliminate it through promotion or transfer under the provisions of Section 5.10. The 90 calendar days will begin upon notice to the affected employee and his or her local Union.

A prohibited working relationship can be avoided if the employees receive work direction and their personnel records are reviewed by someone other than the relative.

For purposes of this Section, relatives are defined as: husband and wife, parent and child or step-child; parent and son- or daughter-in-law; brother or sister, or step-brother or step-sister; aunt or uncle and nephew or niece (by blood or marriage); grandparent and grandchild, first cousins; brother-in-law or sister-in-law.

5.7 – Job Assignments During Inclement Weather

When construction work or field operations are suspended because of inclement weather, no probationary or regular employees will be laid off because of such inclement weather. However, when inclement weather prevents such employees from performing their usual and customary duties, such employees shall report to work regardless of weather conditions, and the Company may assign them other work irrespective of whether or not such work is normally performed by employees in different classifications.

5.8 – Flexible Work Force

(A) Notwithstanding any provisions of this Agreement to the contrary, the Company retains the right to assign any represented employee to perform the duties of any job classification hereunder within the skill, knowledge level and physical ability of said employee, as determined exclusively by the Company subject to Section 3.10 (Refusal of Duties), for the purpose of balancing the work load and utilizing the work force efficiently. Such assignments shall first be done on a volunteer basis in seniority order. In the absence of such volunteers, selection will be in inverse seniority order. The determination of the bases or facilities which are to supply the needed work force is determined by the Company.

(B) Opportunities for parallel or downhill work hereunder will be offered first to volunteers at said bases or facilities. In the absence of sufficient volunteers, selection will be in inverse seniority order from among qualified employees.

(C) Promotional opportunities hereunder will be handled pursuant to Section 5.10 (Position Opportunity System), except that, as stated above, the Company retains the exclusive right to determine, at its discretion, the supplying base or facility.

(D) Employees who are assigned to other locations or classifications for purposes of work load balancing shall be given the same opportunities to work overtime in those locations or classifications as employees regularly

working such classifications at such work locations have been offered the work. However, nothing shall require that an employee already doing work be pulled off a job in order for someone else to continue on overtime.

(E) LTS for performance shall only be allowed in the employee's primary job.

(F) Excess time and mileage will be paid where incurred to report and leave from such assignments.

5.9 – Temporary Relief Assignments

Temporary vacancies shall be filled by the qualified employee who is next in line in seniority order within the job progression, except when it is inconvenient to operations to do so, such as when the senior employee is based elsewhere, is unavailable part of the time because of vacation, etc. Nevertheless, the Union and the Company recognize that in order to provide vacation relief, for work load balancing and to meet temporary operating emergencies it may be necessary to make work assignments from other than the work locations in which the vacancy occurs. It is mutually agreed that such temporary assignments may be made without regard to such job progressions and without regard to the conditions and agreements governing promotions to regular positions. Operating convenience being relatively equal, preference in such cases shall be given within the bargaining unit.

5.10 – Position Opportunity and Placement

The Company will attempt to fill vacant positions from

regular employees according to the following Position Opportunity System ("POS") procedure before resorting to outside hires. The Company will maintain a list of classifications in a job index, including a job profile summary of the primary duties of the job and the minimum qualifications thereof, which will be subject to the provisions of the POS.

Any qualified employee may bid to any other job, provided that his or her current job performance is not rated less than satisfactory. Prior to submitting a bid, employees are encouraged to review the job profiles. In addition, employees must take any pre-qualifying examination and/or skills test required. Some jobs that require similar skills, qualifications, and work activities may be grouped by the Company in an ascending order according to training and proficiency development requirements for work performed.

Part-time employees shall be eligible to bid for full-time positions based on their seniority calculations as follows: Total hours worked since initial hire by the Company divided by 2080 hours.

(A) Prescreening for Employees:

Some jobs require successful completion of a pre-qualifying examination, skills test, and physical ability tests. For such jobs, employees must meet minimum qualifications, as well as all pre-qualifying requirements to be selected. Also, an employee's performance must not be rated less than satisfactory in the job from which the move is requested. Bids will not

be accepted if an employee's performance is rated less than satisfactory and/or if he or she has not met pre-screening requirements.

For jobs that require successful completion of a pre-qualifying examination and/or skills test, employees must have the experience and/or background required for a job in order to take such tests. Employees who do not pass an examination will not be eligible to re-test again for six months from the date of disqualification. Employees who do not pass a skills test, such as keyboard proficiency, stenography, or a physical abilities test may re-test after three months.

Pre-qualifying examinations will be valid for a maximum of five years. After this time, employees will be required to re-qualify. Skills tests and physical abilities tests are valid for one year. Employees who have held a job for one year or more in the last five years and whose performance is not rated less than satisfactory in the job need not take an examination for the same job to be selected. However, a skills test or physical abilities test may be required. Some jobs may require certification. For such jobs, recertification will be required as established by the Company.

Employees who transfer from a job at one work location to the same job at a different work location are not required to take a pre-qualifying examination, provided the new job does not require additional skills which the employee has not performed or for which

he or she has not tested.

Any employee who bids for a position that requires the same pre-qualification, skills test, or physical abilities test, as the current job held, will be exempt from having to take the same test for the new job, providing the employee has **previously passed the** pre-qualification test on file.

Information on test locations and schedules will be available at all work locations.

(B) Requesting a Job Move:

When a job vacancy is to be filled, the senior, pre-qualified employee with a bid on file for that job is considered in the priority order listed below.

1. Disability Bid: Employees who have been granted disability bid priority by Human Resources may bid for any jobs for which they qualify at their current pay grade *or lower. They will be considered first for job vacancies,* provided that they indicate their disability priority status **and meet the minimum qualifications.**

2. Transfer/Progression: The most senior of the following two types of job requests:

a) Employees requesting a transfer to the same job at a different work location.

b) Employees in the same or same type of job progresssions (such as Field Technician to Energy Technician-Residential).

3. Bid: Employees may bid for any job, provided they **meet the minimum qualifications** for the job requested.

Employees must submit a bid to Human Resources to be considered for a job vacancy. The number of bids an employee may submit is not limited. However, an employee can only decline one job offer in a 12-month period without restrictions. If an employee declines a second job offer in a 12-month period, the employee will be restricted from bidding for another job for one year, and all of his or her existing bids will be canceled. See Section (D) Acknowledgment and Validity of Bids.

When an employee is accepted for a job, all of his or her bids are canceled and the employee will not be eligible to bid again for one year from the effective date of the job move. The exception to this will be promotional opportunities within the same job progression at the same location. If the employee is satisfactory in his or her current classification, the employee's bids for the promotional opportunities will remain active in POS. All other bids will be canceled and the employee will need to re-submit bids after the completion of one year from the effective date of the most recent job. Employees who are accepted for a job requiring greater technical knowledge and skill may be restricted from bidding for up to three years from the effective date. However, an employee may request consideration for a newly created job as described in

Section (G) New Jobs, if the new job was first posted after the employee accepted a job offer.

Employees not accepted for the job are so notified, and their bid for the specific job is canceled.

(C) Pay for Time Required for Job Interviews and Pre-qualification Examinations:

1. **Job Interviews:** An employee who bids to a different job is allowed the working time, with pay, for a job interview arranged by the Company if the interview is scheduled during the employee's regular working hours or otherwise requires that he or she be excused from work. The working time allowance is limited to four hours. The employee bears the cost of his or her own transportation to and from the location of the interview, and of any related personal expenses.

2. **Pre-qualifying Examinations:** An employee who is scheduled for a pre-qualifying examination is allowed up to **twelve** hours per year with pay in connection with any examination arranged by the Company during the employee's regular working hours or that requires that he or she be excused from work. The employee bears the cost of his or her own transportation to and from the location of the

examination, and of any related personal expenses.

3. Shortage of Work: For employees affected by a shortage of work, the Company will pay excess casual mileage required to travel to the interview or pre-qualifying examination or may provide transportation.

(D) Acknowledgment and Validity of Job Requests:

The Company will provide a means for employees to bid for jobs listed in the Job Index. Also, the Company will place the bidder's name on an eligible list to be maintained in connection with each job. Bids will be accepted according to bid number and will not be accepted if they do not provide the necessary information. Bids that are received after prior job referral has been released by Human Resources to a hiring supervisor will not be considered until the referred employee has been interviewed and accepted or disqualified for the job in question.

Bids will remain in effect for a maximum of **18** months, until the employee is accepted for a job, is disqualified, declines a second job offer in a 12-month period; or until the employee cancels them. When an employee is disqualified for a job, all of his or her bids for that specific job will be canceled and the employee will be restricted from bidding for that job for three months. When an employee declines a second job offer, all of his or her bids will be canceled and the employee will be restricted

from bidding for any job for one year. Also, an employee's bids will be canceled if his or her performance is rated less than satisfactory. The employee will be restricted from bidding until his or her performance rating is not less than satisfactory.

Bids for a specific job will be canceled if results of prior pre-qualifying examinations or skills test expire during the effective term of the bids. Employees may resubmit such bids after successfully re-testing for the jobs.

An employee who has a bid on file may, at any time, secure, through his or her representative or directly from Human Resources, information regarding his or her position on an established bid list. Also, an employee may request the name and seniority of the last employee placed on a job from such job request list, and the date such action was taken.

(E) Protesting Disqualification:

1. **Transfers**: An employee who questions the judgment of management regarding his or her qualifications for a transfer to a job vacancy, is entitled to file a grievance under the dispute resolution provision. In the event of such a grievance, the Company will assume the burden of proof as to the appropriateness of disqualifying the employee for a transfer. Failure to file a grievance concerning the matter within 15 working days will excuse the Company from considering the grievance as applying to the particular job in question.

2. **Bids:** An employee who questions the judgment of man-management regarding his or her qualifications for a job bid, including disability bids, is entitled to file a grievance under the dispute resolution provision. Failure to file a grievance concerning the matter within 15 working days will excuse the Company from considering the grievance as applying to the particular job in question.

(F) Training and Proficiency:

Some jobs require successful completion of extensive off-the-job Company training. For such jobs, an employee's new job classification will take effect after the successful completion of training tests at the end of the initial training course. Employees who do not pass subsequent training courses, once the job takes effect, will be placed on a performance improvement plan and will be subject to the due process provision of this agreement.

An employee who fails the initial course will be returned to the job from which he or she came and displace the employee who replaced him or her. The displaced employee will return to the job from which he or she came, and so on.

Employees who return to a job they held previously will be required to successfully complete the Company training course and meet the current proficiency

requirements for that job if they were out of the former job for five years or more.

(G) New Jobs:

The Company will notify the Union whenever an entirely new job classification is created that is covered by the provisions of this Agreement. The Company will indicate in such notification the pertinent facts concerning the job. Following notification, the Company will then post a notice system wide, which will describe the job duties, minimum qualifications and the pay rate of the new job. Interested, qualified employees may submit bids under the provisions of the POS.

(H) Return to Prior Position:

Within five calendar weeks (35 days) of an employee moving into a new job classification, the supervisor will meet with the employee to jointly discuss the employee's progress to date. If, after discussions, the supervisor or employee believes the employee might not be capable of performing satisfactorily in the new position, the employee may exercise the option to return to her/his position within eight calendar weeks (56 days). Following a return, the employee will be restricted from bidding for two (2) years.

(I) Placement Upon Return From Authorized Absence:

When a job becomes vacant because of the absence of an employee on Military Leave, Disability, Personal Leave of Absence, or other authorized reason of a

nature which permits the employee to return to the former assignment, the Company will follow the normal procedures governing position opportunities. If the employee on authorized leave returns within a period of two calendar years following his or her last day worked in active service, the employee who had been appointed to the vacancy will be returned to his or her former classification within the job progression, at the work location from which the employee left. When such an employee returns to his or her former job, the employee if any, who replaced him or her will likewise have the right to return to the job from which he or she came, and so on. In case more than one employee will have been appointed to such a job, the employee last appointed to the job classification will be the first to return to his or her former job. If the employee on authorized leave returns to the same payroll classification after an absence of two calendar years following the last day worked in active service, and if there is no vacancy available for him or her in that classification, the provisions of Article VII governing layoff for shortage of work will apply to the employee displaced by the returning employee.

(J) Placement of Disabled Employees:

When an employee (whether or not on the Disability payroll) is unable to perform the duties of his or her job because of a disability, but is capable of performing the duties of a classification or classifications other than his or her regular job, the employee may request transfer to or the Company may place such employee in any vacant job he or she is capable of performing, provided that it is not higher than his or her regular classification. Bids

from an employee who has been notified by Human Resources that he or she has been granted disability request priority will be considered before all other job requests, provided that such employee meets the minimum qualifications for the job requested. The standard for disqualification of an employee requesting disability placement is set forth in Section 5.10 (B).

If an employee is medically disqualified for a certain job classification, any other requests he or she submits for the same classification will be canceled and the employee will not be considered for further interviews for the same classification until he or she submits evidence that he or she is no longer medically disqualified. If at a later date the employee again becomes capable of performing the job he or she held prior to becoming disabled, at that time the employee will have the right to return to his or her former job on the same basis as an employee returning from disability.

An employee placed in a job under the provisions of this Section will receive the rate of pay that is no lower than the weekly rate which he or she received immediately prior to the disability.

(K) Supervisory Promotions:

While seniority shall be observed where possible in the selection of employees to fill positions of supervision or of special responsibility, the Company reserves the right to exercise complete discretion in the choice of employees for such positions and in their retention in such positions. The most important requirement for

selection and retention in a position of supervision or of special responsibility is that the employee shall be acceptable to the Company as an agent for the exercise of authority. This applies where authority is to be exercised on behalf of the Company as follows: (1) directing the work of other employees in a supervisory capacity (barring such direction or supervision as is exercised by a Lead Construction Technician over Energy Technician Distribution or Construction Technician, (2) inspection of work, particularly where such inspection is to ensure compliance with requirements of law or of public regulation, and (3) assignment of work to employees who have no other direct supervision.

When a supervisory employee returns to a classification of work covered by this Agreement because of a shortage of work in his or her classification, such employee shall have the right to return to the classification from which he or she was advanced, within the previous **two** years, providing that such return does not bump any employee in the classification who has greater seniority. In the event the returning employee does not have the seniority to fill a job in the classification from which he or she was advanced, he or she shall have the right to go back into the next lower classification within the work location for which his or her seniority entitles him or her. Furthermore, a supervisor may utilize accrued bargaining unit seniority at any time to return to a vacant job but shall not have bumping rights.

This Section does not apply to temporary promotions *into management.*

5.11 – Job Profiles

The Company agrees to prepare and issue a revised index of job classifications and summary of duties for the purposes of assisting employees in determining the nature of duties to be performed in any job for which they may bid. Where pertinent, the index will list the principal minimum qualifications for the Indicative Duties Descriptions, with the understanding that such lists may not be all inclusive and may be subject to change. However, the Company agrees to notify the Union immediately if it intends to modify the minimum qualifications for any job. *Furthermore, any minimum* qualifications must be reasonable and necessary to indicate probable success in the classification.

5.12 – Certification

The Company shall pay for reasonable costs associated with all job-required certifications and licenses. *Cost must be approved in advance.* The Company shall provide sufficient time during regular work hours for study and testing related to required certifications and licenses.

5.13 – Technical Layoff

In some cases, there may be a shortage of work in one *or more classifications* (pay grade) in a job progression, but equivalent or higher jobs in the same type of work

are available elsewhere to all employees in the layoff area. In this situation, when such jobs are available at a work location not more than twenty miles distant from the affected employee's existing work location, the provisions of Section 7.1 (Seniority in Layoff) shall not apply, however, the affected employees (lowest in seniority in the classification) (pay grade) will be given *10 working days of special bid rights. These bid rights* will have preference over all bidders except those bidders under Section 5.10 (J) and 7.1.

5.14 – New or Modified Regions

In the event that the boundary lines of a Region in which the Union has representation rights as herein defined shall be modified so as to create new boundaries which shall include some or all of the job progressions, as herein defined, it is agreed that the assignment of employees who will staff the new Region shall be deemed to have been made prior to the date the new Region is established and shall be accomplished in the *following manner:*

(A) The Company will establish a Table of Organization showing the number of classifications of the jobs and job progressions to be established in the new Regions and those to be eliminated from the other areas affected. A copy of the Table of Organization will be forwarded to the Union.

(B) Employees working in the area encompassed by the new Region whose work location or job status will be unaffected will be so notified.

(C) Employees in job progressions that are affected will be considered for jobs in similar job progressions in the revised Regions without being required to submit bid cards. Each such employee will be informed of his or her rights, and his or her preferences will be recorded by his or her supervisor. Any such employee who volunteers for a job of the same, a parallel, or a lower classification will be accepted in seniority order, prior to consideration of bids and promotions under the regular Position Opportunity System. Any such employee who is eligible for promotion to a vacant job in a higher classification shall receive consideration in accordance with paragraph (E) hereof.

(D) In the event that an insufficient number of employees volunteer, from a unit affected, for positions in the new or modified Regions, the number in excess of the Table of Organization established for the unit affected under the provisions of (A) of this Section shall be subject to layoff under the provisions of Section 7.1 (Seniority in Layoff) or Section 5.13 (Technical Layoff), as appropriate. It is understood, however, that an employee is not subject to layoff if positions are available to him or her within his or her then existing job progression even though at a different base location.

(E) Jobs in the new Regions which remain unfilled after exhausting the bids received under the provisions of paragraph (D) hereof shall be subject to the regular bidding procedure.

(F) At the request of either party, a meeting shall be held within five working days of the Company's announcement of a Region boundary change to discuss details under which they shall proceed and to discuss the probabilities of transfer, reclassification, and other matters covered by the terms of this Agreement.

5.15 – Employee Redeployment – Work Force Balancing

Assuming no reduction in total number of employees or in job classification level, relocation of employees within a job progression shall be effected as follows:

(A) Employees at **work** locations where the excess of work force exists will be offered, in seniority order, the existing vacant jobs at other **work locations**. Requests from these employees for change **to the location where vacancies exist** will have priority until enough requests have been honored to effect the necessary reduction in work force.

(B) If there then remains an excess of work force at any **work** location, the employees to be reassigned will be selected in reverse seniority order. In seniority order, each employee in this group will be allowed to choose the vacant job to which he or she shall be reassigned. Any employee thus reassigned by the Company may submit a request to return to a job in the classification he or she held at the **work** location from which he or she was displaced. Such requests

will be given priority over routine transfer requests. It is understood that acceptance of a promotion, or any voluntary change in job progression or **work** location, removes any special priority of return.

(C) In the event a redeployment involves a move more than 30 miles from the employee's present work location, such employee shall have the option of accepting redeployment or exercising rights under Section 7.1 (Seniority in Layoff).

Article VI

DISPUTE RESOLUTION

6.1 – General Statement

The Company shall exercise its right to employ, promote, demote, discipline, and discharge employees in the interest of good service and the proper conduct of the business, subject to the terms and provisions of this Agreement. Where an appeal through grievance procedure is upheld, the employee's status and pay shall be restored. The Union and the Company agree to take alternate measures to resolve disputes prior to any formal action by either party.

6.2 – Job Performance Appraisals

When a supervisor prepares an Employee Appraisal or an Interim Personnel Report for entry into an employee's personnel file, the supervisor shall give the employee an

opportunity to read it. Normally the employee will initial the entry, signifying only that he or she has read it, not necessarily that the employee agrees with it. If the employee declines to initial the entry, the supervisor shall so note on the entry. The employee may, at his or her option, submit a short written statement (not more than one page) of rebuttal to be added to the personnel file along with the supervisor's entry. The employee may obtain a copy of the Employee Appraisal or Interim Personnel Report without charge if the request is made at the time the supervisor shows it to the employee. Otherwise, the employee may obtain copies of any documents in his or her personnel file upon written request to the Human Resources Department at a transaction charge of $2.00 plus ten cents per page of copy. It is understood that some such entries may be made without being seen first by the employee in cases when the employee is unavailable or in cases of disciplinary action for which formal protest procedure is established.

At any time an employee may request of the supervisor an appraisal and discussion of his or her job performance, including a personal inspection in the supervisor's presence of the employee's personnel file, if requested with reasonable advance notice. Normally such inspections shall not be repeated in less than twelve months, but exceptions may be made in such instances as the issuance of a less-than-satisfactory rating or, the disqualification of an employee on a bid or promotion, or following disciplinary action. In addition,

any employee may review with the Human Resources Department the nature of his or her past record of service.

When a supervisor enters into the record that an employee's overall job performance rating is less-than-satisfactory, it is the supervisor's obligation to tell the employee of the reason for the rating. Furthermore, on the day the employee is to be informed of his or her less-than-satisfactory rating, the employee upon request, shall be entitled to have a Union representative present as a witness to the interview. In addition, the employee shall be given a Notice of Less-Than-Satisfactory Job Performance (Form No. 3891) at the time such entry is made or as soon as practicable thereafter. It is agreed, however, that with relation to such privileges as transfer, bid or promotion, the employee's overall job performance rating will be based on his or her actual current status regardless of whether or not it has yet been entered into the record or whether or not he or she has yet been notified.

The Company also recognizes the obligation of its supervisors to inform employees who have been rated less-than-satisfactory when and if their work performance is again judged to be satisfactory. The Union may at any time protest a less-than-satisfactory rating through the grievance and arbitration procedure.

6.3 – Causes for Disciplinary Action

Any of the following shall constitute causes for demotion, discharge or disciplinary layoff, except that any acts of

sabotage or theft of any employee, customer or Company property shall be an immediate cause of dismissal:

(A) Unsatisfactory job performance, including the following:

Failure to perform work in an efficient and workmanlike fashion.

Unsatisfactory accident record; carelessness or negligence on the job which affects the safety of fellow workmen or which involves avoidable damage to property; unsafe, unlawful driving.

Failure to follow Company rules which have been posted or which are common knowledge or of which the employee has been directly notified.

(B) Misconduct, including the following:

Insubordination – failure to comply with orders or instructions given by the proper supervisor, or engaging in any activity or conduct in violation of Section 2.2 (E) (No-Strike Clause).

Failure to cooperate with supervisors and/or fellow employees in matters pertaining to the Company's operations.

Insobriety – drinking on the job, or drinking off the job to the extent that it adversely affects the employee's attendance or the quality of his or her work.

Absence without authority – (when it would be

possible to apply for authority for such absence) and without satisfactory excuse.

Dishonesty – regarding money, falsification of Company reports or records; failure to tell the truth in matters pertaining to Company operations or in matters relating to the employee's absence from or performance on the job.

Obvious causes – such as conviction of a felony, engaging in a criminal act (other than a minor traffic violation) or an act involving moral turpitude.

Drug abuse – use of, on or off the job, which is in violation of negotiated agreements and government mandates.

6.4 – Advance Warning of Intention to Discipline

The Company agrees that an employee whose work is of such quality as to justify discipline for the first reason stated under Section 6.3 (A) (Failure to Perform Work in an Efficient and Workmanlike Fashion), shall be specifically warned by the supervisor with reasons stated in writing of any intention which the supervisor may have of recommending demotion, discharge, or disciplinary layoff for said reason. The supervisor will give a reasonable period of advance warning in order that the employee may remove the necessity for disciplinary action. When the nature of the employee's deficiency is such that it would be unreasonable to expect him or her to correct it immediately, the supervisor will give the

employee a reasonable probationary period in which to improve his or her work to a satisfactory level.

Any employee who has received such a warning shall have the option of requesting reclassification and transfer to work which he or she has previously performed successfully if such work is available and if such request is made before the expiration of the stated probationary period, without regard to the "satisfactory work requirements" of Section 5.10 (Position Opportunity System). The employee may elect to waive the probationary period in favor of an immediate hearing as provided in Article VI, Dispute Resolution, in which case his or her employment and pay will continue until the Company has stated its position as provided in paragraph (5) of Section 6.5 (A).

Any such warning so given shall be continuing in effect until the cause for such warning shall have been removed by the employee and any failure on the part of the Company to take action following any such warnings, regardless of lapse of time, shall not be deemed a waiver by the Company of its right to act upon such warning at any later date within six months. In the event that two such warnings are given within a period of two years, such six months limitation shall be extended to one year on the second warning; and if subsequent warnings are given within one year after the lapse of the previous warning period, such limitation shall be extended to two years.

6.5 – Disciplinary Procedure

The following procedure shall be followed in connection with (A) Discharge for Cause, (B) Demotion for Cause and (C) Disciplinary Layoff, for the causes listed in Section 6.3 (Causes for Disciplinary Action):

(A) Discharge for Cause:

(1) Employees are subject to removal from active work and to subsequent termination of service for the causes cited in Section 6.3 hereof. Immediate causes of discharge are offenses which have occurred (or which have been discovered) within 90 days of the date of removal from work, and no offense shall be regarded as an immediate cause of discharge unless acted upon within that period. While discharge action must be directly related to an offense or offenses which have occurred within the period of time just stated, consideration of any given case shall not necessarily be limited to one specific offense. The record of previous good service, or of previous offenses, if any, and punishment usually given for similar offenses, shall also be considered. The sole purpose of placing a time limit upon action following any given offense is to provide a period of time during which an employee may clear his or her record of any immediate cause of discharge. It is not the intent of this provision to provide a time limit which operates to cancel the effect either of good service, or of repeated offenses which interfere with the proper conduct of the business.

(2) When any employee is removed from active work,

pending a discharge for cause, he or she will be immediately notified of the reason therefor on a Notice of Discharge for Cause. This notice shall indicate the nature of the offense, citing the subsection of Section 6.3 hereof which applies, the date upon which the discharge is effective, and the last date upon which the discharge may be protested with a request for a hearing.

(3) The Human Resources Department, upon request, will arrange for a hearing to be held, whenever practical, within not less than two working days, nor more than five working days of the date of removal from work, and will withhold official termination of service until expiration of that period, in any case. Where more time is required, the hearing will be scheduled at the earliest date possible. However, the effective date of the discharge, unless set aside, shall be the date upon which the employee is actually removed from work. If a protest is upheld, the employee shall be restored to the job which he or she held at the time of removal from work or some other job agreeable to the parties concerned, and receive full pay from the date of removal from work. And, in addition, such employee shall be reimbursed for his or her transportation expense in connection with such hearings in an amount not to exceed the cost of public transportation. The time limit herein provided refers to regular business days and not to calendar days. Saturday, Sunday, and holidays will be disregarded in computing the two-day and five-day periods. No

protest of a discharge will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Discharge for Cause is mailed.

(4) The employee may appear in person at his or her hearing, whether he or she represents himself or herself or is represented by the Union. The employee may produce such witnesses as may be necessary to testify in his or her behalf on questions of fact.

(5) Upon conclusion of the hearing, Company representatives will mail a certified letter to the last known address of the employee, stating the position taken by the Company either in upholding the protest or in sustaining the discharge, or if the Union has represented the employee in the hearing, the Union and the employee shall be notified of the outcome. If the protest is upheld, the employee's status and pay shall be restored as provided in Section 6.1 (General Statement). If discharge is sustained, and there is dispute on this point, a Board of Arbitration shall be designated to arbitrate the matter, as provided by Section 6.8, provided the Human Resources Department receives a written request for arbitration from the Union within the 20 calendar days next following the date upon which the certified letter stating the Company's position, as provided above, is mailed. In the event that the Union schedules a membership or Executive Board vote concerning a request for arbitration of a discharge at the earliest regular meeting (or series of area meetings) following

the date of the Company's letter, the 20-day limit referred to above shall be extended until the second working day following the date of the completion of the vote, provided that the Union notifies the Company in writing within the 20-day limit that a vote has been scheduled, specifying the date when the voting will be completed, and provided further that in no event shall the time limit be extended more than 25 additional calendar days beyond the 20-day limit.

(B) Demotion for Cause:

(1) Employees are subject to demotion for the causes cited in Section 6.3 hereof. The duties and pay rates of the employee are subject to immediate change but the demotion may be protested under the same procedure as provided for in connection with discharge for cause.

(2) Employees demoted for cause shall be notified on a Notice of Demotion for Cause. No protest of a demotion will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Demotion for Cause is mailed.

(C) Disciplinary Layoff:

(1) Employees are subject to disciplinary layoff for the causes cited in Section 6.3 hereof. The layoff may be set immediately upon commission of the offense. Layoffs will be reviewed by the Company under the same procedure as provided for in connection with the

discharge for cause and may be protested under the same procedure.

(2) Employees subject to disciplinary layoff shall be notified on a Notice of Disciplinary Layoff. No protest of a disciplinary layoff will be accepted unless received by the Human Resources Department within five working days of the date the Notice of Disciplinary Layoff is mailed.

(D) Temporary and Probationary Employees:

Nothing in the provisions of Section 6.3 (Causes for Disciplinary Action), 6.4 (Advance Warning of Intention to Discipline), and 6.5 (Disciplinary Procedure) applies to layoff or changes of duties occasioned by lack of work. None of the provisions hereof apply to (1) strictly temporary employees, or (2) prospective regular employees who have been employed less than six months and who are serving their probationary period, except that the Company agrees to review and discuss with the Union any claim made in writing that any probationary employee working in the payroll classifications listed in Appendix B hereof has been unfairly dismissed; provided, however, that should any dispute arise over the disposition of such claim it shall not be subject to arbitration.

A probationary employee who is notified of the intention of the Company to terminate his or her services because of unsuitability for long-term employment shall

have the right to elect to submit a written resignation and the records of the Company shall so indicate.

6.6 – Disciplinary Interviews

When a supervisor interviews a regular employee with the intention of issuing a written warning letter under Section 6.4 of this Agreement, or of assessing a disciplinary layoff, demotion, or discharge, or with the intention of developing facts in the interview to support disciplinary action that is being considered against such employee, the employee upon request shall be entitled to have a Union representative present in order for the interview to continue. In the event the supervisor fails to grant such a request, the employee may refuse to answer any questions, and the Company shall be precluded from relying upon any statements made by the employee during the interview, after such request, as a basis for assessing or upholding the discipline. However, the Company shall not be foreclosed from independently ascertaining any facts contained in the employee's statements and relying upon such independently ascertained facts. It shall be the policy of the Company to encourage supervision to notify employees of their right to Union representation in the disciplinary or investigatory interview described above. The absence of such notification, however, shall not invalidate any information received or action taken in the interview.

If the employee requests a Union representative (Shop Steward or other Union official) and none is available at the moment, the interview shall be

postponed until the representative can be present. In the case of some activities where the employees involved are in the field, it may be more convenient to arrange in advance to have a Union representative available, and this option is open to the supervisor at his or her discretion. The employee does not normally have the option of asking for a Union representative from a district other than his or her own or one who is not an employee of the Company.

The role of the Union representative in a disciplinary interview is not that of an adversary; he or she is there as a witness to counsel the employee and to clarify to the employee if necessary the employee's rights under the Agreement. Any protest of the action being taken shall be reserved for the procedure set forth in Section 6.5.

The right of having a Union representative does not apply to investigative interviews when the employee is not under suspicion. It does not apply to counseling interviews.

6.7 – Termination Wages

(A) Discharge: An employee when discharged for unsatisfactory job performance, as defined under paragraph (A) of Section 6.3 (Causes for Disciplinary Action), shall receive a termination wage equivalent to one week's pay per year of service, up to a maximum termination wage of ten weeks' salary and in addition shall receive payment for any unused portion of the Vacation Allowance for which such employee is then eligible.

An employee who has been demoted for unsatisfactory job performance, as defined under paragraph (A) of Section 6.3, may elect, as an alternative to such demotion, to terminate his or her employment with the Company and to receive the termination wage provided herein, provided such election is made either in lieu of protesting the demotion within the five days provided in Section 6.5 (Disciplinary Procedure), or if the demotion is protested, within the time limits provided in paragraph (5), Section 6.5 (A); provided however, that refusal of the employee to perform the duties of the classification to which he or she is demoted, during any portion of the time period provided in Section 6.5 for appeal against the demotion, shall be deemed an election to terminate his or her employment with the Company and to receive the termination wage hereinabove provided.

An employee who is discharged for misconduct as defined under paragraph (B) of Section 6.3, or commission of or conspiracy to commit any act of sabotage, shall not be entitled to a termination wage.

(B) Demotion: An employee who has been demoted for misconduct as defined under paragraph (B) of Section 6.3 (Causes for Disciplinary Action), may elect, as an alternative to such demotion, to terminate his or her employment with the Company and to receive two weeks' termination wage, provided such election is made either in lieu of protesting the demotion within the five days provided in Section 6.5 (Disciplinary Procedure), or if the demotion is protested, within the time limits

provided in Section 6.5. Refusal of the employee to perform the duties of the classification to which he or she is demoted, during any portion of the time period provided in Section 6.5 for appeal against the demotion, shall be deemed an election to terminate his or her employment with the Company and to receive the termination wage hereinabove provided.

6.8 – Grievance/Arbitration Procedure

The parties encourage the settlement of disputes at the local level between employees and supervisors prior to initiation of formal procedure.

The Union and the Company mutually agree that the prompt handling of grievances is a fundamental responsibility of both the Union and the Company and to that end the Company will permit the use of its regular Company messenger service for the purpose of handling grievance matters and will establish a delivery and pickup service at Union headquarters for the purpose of expediting this matter. Union representatives will be authorized to use the Company "special service" messenger facilities at such times as the situation appears to warrant. It is understood and agreed, however, that the use of the Company messenger facilities shall normally be limited to handling grievances.

In order to aid in the proper disposition of grievances, Shop Stewards may be selected by the Union. Such Shop Stewards may be selected from among the active employees in each of the departments and groups in the bargaining unit.

The Union agrees to train all new area officers, unit officers, and local presidents with regard to grievance investigations on Company time. This training must be completed within 30 days of the officer taking office. Further, if the Union fails to train the above mentioned officer, the officer will be precluded from conducting such grievance investigation on Company time.

Any grievance, other than appeal following disciplinary action, as provided in Section 6.5 (Disciplinary Procedure) of any employee covered by the terms of this Agreement, or any dispute which shall arise between the Union or its members and the Company shall be determined in the following manner:

Responses from the Company to any step of the grievance procedure shall be sent to the appropriate Union office with copies to the involved Region/Departmental officer, shop steward and the president of the local.

Each grievance shall be initiated within 90 calendar days of the event causing the grievance, or within 90 calendar days after the date on which such event should reasonably have become known by the aggrieved employee. For this purpose, the grievance shall be reduced to writing on a multicopy form in accordance with paragraph (B) of Step 1*.

Step 1: Grievance Procedure

(A) The Union will make a careful investigation of the grievance before it is reduced to the formality of a written

**For job disqualifications, there is a 15 day limit to initiate grievances. Refer to Section 5.10(E).*

complaint in order to ascertain that the grievance complaint is justified under the terms of this Agreement and that there is reasonable ground to believe that the claim is true in fact. For this purpose, one officer from the Union shall be allowed a reasonable length of time with pay to complete the investigation after having notified and received permission for such from the Regional Manager or his or her designated representative. It is mutually agreed that the normal procedure shall be for the local Union representative to discuss any pending grievance with the appropriate local management representative before formally presenting it except that grievances involving potential pay adjustments shall be based upon the date of filing of the grievance in Step 1.

The grievance complaint shall set forth all the facts necessary to understanding of the issues involved, and it shall be free from charges or language not germane to the real issue or conducive to subsequent calm deliberations. So far as possible, the Union and the Company shall avoid publicizing any grievance or complaint founded thereon prior to the final determination of the issue, other than as a matter of internal communication.

(B) Grievances which are appealed to Step 1 in timely fashion shall be reduced to writing on multicopy forms provided by the Company and approved by the Union, shall be signed and dated by the aggrieved and his or her Union representative, and filed with the local management representative delegated to receive such local grievances on behalf of the Company. The Union

will be advised of the appointment of local management representatives. In the event that doubt exists as to the identity of such local management representative, the grievance complaint may be addressed to "Appropriate

Local Management Representative, c/o Director, Labor Relations." Such grievances will be forwarded immediately to the Company representative to whom authority for handling the grievance has been delegated.

(C) The local management representative will commence a prompt investigation of the facts and will reach a conclusion at the earliest date consistent with the nature of the investigation and with the normal conduct of necessary business. Upon reaching such conclusion, but in any event, within ten working days of the receipt of the grievance, the local management representative will reply in writing, stating the Company's position on the issues raised in the complaint.

(D) If the Union wishes to discuss the grievance further with the local management representative, the Union will, within ten working days after receipt of the statement of the Company's position, so notify the local management representative, who will arrange to hold a local grievance meeting within the ten working days following such request. Attendance at such meeting shall normally be limited to the employee or employees whose grievance is under discussion, two representatives of local management, and

two representatives of the Union, who shall be active employees in the Region/Department in which the grievance arises. Discussion shall be limited to the

issues raised in the grievance complaint. An earnest effort shall be made to arrive at and state a decision in this meeting; however, oral agreements, reached in the local grievance meeting, shall be regarded as purely tentative and without force until confirmed in writing.

Local grievance meetings may be scheduled during regular business hours if consistent with the normal conduct of business, provided that total Union attendance at the meeting does not exceed four persons. Under no circumstances will Company pay be sustained for more than three employees in attendance for the Union at such local grievance meetings. It is understood and agreed, however, that the Union may, upon notice to the Director, Labor Relations, also have in attendance an employee who is a Union officer or an employee selected by the Union to do Union business, as provided by Section 2.2 (B) (Union Leave of Absence); and, in such case, the Company may also select an additional representative from the Human Resources Department to attend such hearing.

Step 2: Grievance Procedure

(A) Within ten working days following conclusion of the local grievance meeting, the local management representative will give the Union a brief written statement of the decision reached.

(B) If no final agreement is reached at the local management level, upon request within ten working days after receipt of the statement of the Company's decision, a final meeting will be held with Human Resources

representatives. The request for a final meeting should be made in writing and should state which facts are still in dispute, if any, and the specific basis upon which the Union takes issue with the position of the local management representatives.

Attendance of Union representatives at meetings in this step of the grievance procedure will normally not exceed seven people. The Company will sustain pay and reimburse the casual mileage rate of not more than two employees (three in the case of Joint grievances where employees from more than one Union attend); provided, however, that by mutual agreement this limitation as to the number in attendance and the number to be reimbursed may be revised.

(C) Within three working days following receipt of the Union's request for a final meeting, the Company will acknowledge the request by letter and will arrange a meeting within the next ten working days whenever any necessary fact finding can be accomplished prior to the date of the meeting scheduled within such period. If it is obvious that the necessary fact finding cannot be accomplished in such time as to permit the Company to discuss the grievance within such ten working day period, the letter will include a statement to that effect and a tentative date will be set for a later meeting. The Company and the Union by mutual agreement can waive the time limits provided herein.

(D) Within ten working days following conclusion of the final meeting, the Company will give the Union a brief

written statement of the decision reached.

(E) Grievances of a general nature (system-wide) by the Union shall be initiated by the Local Union President or designated representative by a written statement served by the aggrieved party on the other and filed within 90 calendar days of the event causing the grievance or after the date on which such event should reasonably have become known. Such grievances shall be heard directly in Step 2.

Step 3: Grievance Procedure/Arbitration

If the final decision of the Company is not acceptable to the Union, the Union may refer the matter to arbitration as provided by this section hereof, provided a written request for arbitration is received by the Human Resources Department within the 20 calendar days next following the date of receipt of the Company's statement of position as provided by Step 2, paragraph (D) of Section 6.8 (Grievance/Arbitration Procedure). In the event that the Union schedules a membership or Executive Board vote concerning a request for arbitration of a grievance at the earliest regular meeting (or series of area meetings) following the date of the Company's letter, the 20-day limit referred to above shall be extended until the second working day following the date of the completion of the vote, provided that the Union notifies the Company in writing within the 20-day limit that a vote has been scheduled, specifying the date when the voting will be completed, and provided further that in no event shall the time limit be extended more

than 25 additional calendar days beyond the 20-day limit.

(A) Definition of Arbitrability: There will be no arbitration of any dispute unless requested in writing by the Union, as distinct from a request by the individual employee. Disputes which are arbitrable under this Section shall include only those arising under the provisions of Section 6.5 (Disciplinary Procedure) or Section 6.8 (Grievance/Arbitration Procedure) which concern the interpretation or application of any of the terms or provisions of this Agreement. Arbitration under this section shall be the exclusive means of settling such disputes.

Step 4: Alternative Dispute Resolution

The parties recognize the need to resolve grievances and protests of disciplinary actions whenever possible in order to avoid the expense and delay associated with arbitration. Therefore, the parties enter into this Agreement to use mediation and expedited arbitration, where mutually agreed to by the parties, to resolve pending arbitration cases as well as grievances and protests of discipline that may arise during the term of this Agreement.

A. Mediation:

1. Within ninety (90) days of the ratification of this Agreement, the parties will meet to select mediators to hear cases under this procedure. The mediators selected shall agree to provide the parties with an

agreed upon number of available dates. The parties and the mediators shall then schedule specific dates. The mediator will continue to serve by mutual agreement of both parties.

2. Within thirty (30) days of the selection of mediators, the parties will meet to identify those pending cases which the parties agree will be processed through this mediation procedure. Discharge cases which the parties agree to mediate shall be scheduled first, in the order in which the cases were filed to arbitration.

3. Following disposition of cases pending as of the date of this Agreement, or which have been filed pending resolution of the backlog cases, the parties shall process future cases by scheduling a Mediation Conference to be held at the earliest available date of a mediator within thirty (30) days of the Union's request for arbitration, except for cases in which either party requests that mediation be bypassed.

4. Each party should have one principal spokesperson at the Mediation Conference. The Spokesperson for the Company will normally be the Director, Labor Relations, or designated representative. The spokesperson for the Union will normally be the President or designated representative. Only by mutual agreement will an attorney be used by either party at the Mediation Conference. In addition to the grievant(s), the number of employees who shall

suffer no loss in pay for participation in the Mediation Conference shall be no more than two (2).

5. Proceedings before the mediator shall be informal in nature. The presentation of evidence is not limited to that which has been presented in the grievance proceedings. The rules of evidence shall not apply, and no record of the Mediation Conference shall be made, nor may either party introduce into any other proceeding any record, testimony or evidence of such proceedings.

6. All written material that is presented to the mediator or to the other party shall be returned to the party presenting the material at the termination of the Mediation Conference. The mediator may, however, retain one copy of the written grievance, to be used solely for purposes of statistical analysis.

7. The mediator will have the authority to meet separately with any person or persons, but will not have the authority to compel the resolution of a grievance or protest.

8. The mediator shall conduct as many conferences each day as is feasible and mutually agreeable to the parties. The first session will begin at 9.00 a.m.

9. The Company and Union at the Mediation Conference may accept the resolution proposed by the mediator. Such settlement or any other settlement resulting from the conference shall not be

precedent setting, unless both parties agree.

10. If no settlement is reached during the Mediation Conference, the mediator shall provide the parties with a written advisory opinion within three (3) days, briefly stating the grounds therefor, unless both parties agree that no opinion shall be provided.

11. If no settlement is reached at the Mediation Conference, the grievance may be scheduled for arbitration in accordance with Article VI (Grievance/Arbitration Procedure).

12. In the event that a grievance which has been mediated subsequently is arbitrated, no person serving as a mediator between these parties may serve as arbitrator. Nothing said or done by the mediator may be referred to at arbitration. Any settlement proposal made by either party at the Mediation Conference shall not be referred to at the arbitration hearing.

13. The parties agree to share equally the costs associated with mediation.

14. The assessment of costs for mediation cases which have been appealed to arbitration under Article VI of the collective bargaining agreement shall be as follows:

    Non-Discipline Cases:

    (A) If the Union fails to accept the mediator's recommendation, it may appeal the case to

arbitration. If the arbitrator renders the same or less favorable decision than the mediator recommended, the full costs of that arbitration are then paid by the Union. If, however, there is a more favorable ruling than the mediator's recommendation, then the cost is split equally between the parties.

(B) If the Company fails to follow a mediator's recommendation and receives the same or less favorable decision from a subsequent arbitration, the Company pays the full cost of that arbitration. If the arbitrator's award is more favorable to the Company than the mediator's recommendation, then the cost is split equally between the parties.

Discipline Case:

(A) If the mediator's recommendation upholds the discipline in whole or in part, the Union may appeal the case to arbitration. If the arbitrator concurs with the mediator's recommendation, the Union will pay the full cost. However, if the arbitrator reduces the discipline lower than the mediator's recommendation or eliminates it, the costs will be split between the parties.

(B) If the mediator recommends reducing or eliminating the discipline and the Company refuses to accept the mediator's recommendation and the case is moved to arbitration and then if the arbitrator reduces the discipline to the same

degree as the mediator or less or eliminates it, the Company pays the full cost of the arbitration; otherwise, the costs will be split between the parties.

15. Payment shall include full costs for cases appealed from mediation and shall include the full cost of the arbitrator, court reporter, transcript and meeting facility if applicable. Each party's own costs shall not be included in this assessment.

B. Expedited Arbitration:

1. Pending arbitration cases which are not mediated, unresolved at Mediation Conference or are removed from Mediation may be referred to expedited arbitration by mutual agreement of the parties. Following disposition of pending cases, the parties may refer future grievances and disciplinary protests which are not resolved at Mediation to this Expedited arbitration by mutual agreement of the parties.

2. Within ninety (90) days of the ratification of this Agreement, the parties shall select three arbitrators to serve as expedited arbitrators for a term of the agreement from the current eleven person panel in a manner agreed upon by the parties. The arbitrators shall be scheduled for a period of twelve (12) months. The schedule shall initially provide for four days of hearings during a month. Effective three (3) months after the parties conclude

selection of expedited arbitrators, during the remainder of the term of this agreement, either party may remove one (1) arbitrator from service as an expedited arbitrator. Vacancies of expedited arbitrators shall be filled by mutual agreement.

3. Two (2) cases shall be heard each day. The first case will begin at 8:30 a.m., the second case at 1:30 p.m. This schedule can be adjusted by mutual agreement to handle a third case.

4. No less than two (2) weeks prior to each scheduled expedited arbitration date the parties shall meet to determine which cases are to be heard at that scheduled date. At that time the parties shall seek to agree upon fact stipulations and shall exchange witness lists and evidence to be submitted at the hearing. Except for good cause shown as determined by the arbitrator, and rebuttal witnesses and evidence, no witnesses nor evidence not revealed at this time shall be admissible at the hearing.

5. At that time the parties shall also agree upon an issue statement. Failure to agree upon an issue statement will automatically refer the case back to regular arbitration.

6. At the hearing each party will have seventy-five (75) minutes to present its case, however,

the arbitrator has the authority to extend the time. That time may be used in whatever fashion that party chooses, and allocated as it wishes. Cross examination shall count against the party conducting it.

7. The arbitrator shall have the obligation of assuring that all necessary facts and considerations are brought before her or him by the representatives of the parties. In all respects, he or she shall assure that the hearing is a fair one. The arbitrator shall also be responsible for keeping the parties to the time allotted.

8. No briefs shall be filed nor transcripts made.

9. The arbitrator shall provide the parties with a written award at the conclusion of each case or by the close of the hearing day, including a brief written opinion in support of the decision unless both parties agree that no opinion shall be provided.

10. These decisions shall be final and binding upon the parties and shall not be cited as precedent in any succeeding arbitration case. The authority of the arbitrator shall be the same as provided for the Board of Arbitration pursuant to Article VI.

Step 5: Board of Arbitration

Should the Union and the Company fail to settle any such arbitrable dispute, the matter in controversy shall be submitted in writing to a Board of Arbitration who shall settle such matter as provided herein.

(A) The Board of Arbitration shall consist of three members, one of whom shall be selected by the Company, one of whom shall be selected by the Union, and a third by mutual agreement of the Company and the Union. The fee charged by the third arbitrator shall be borne equally by the Company and by the Union.

The third member of the Board of Arbitration shall, within ten working days of the Company's acceptance of the Union's request for arbitration, be selected from one of two panels of independent arbitrators agreed upon by the parties, one panel for disputes covering discharges arising under the provisions of Section 6.5 (Disciplinary Procedure), and the second panel for other disputes arising under the provisions of Section 6.5 (Disciplinary Procedure) and Section 6.8 (Grievance/Arbitration Procedure).

The arbitrator listed at the top of such panel shall be selected, unless such arbitrator is disqualified as herein provided, in which case the next listed arbitrator shall be selected. The name of the selected arbitrator shall be moved to the bottom of the panel. The Union and the Company may, on an

alternating basis, within the ten days provided above, disqualify the arbitrator listed at the top of such panel, with the provision that each party may disqualify not more than one arbitrator for any one arbitration based on its turn for the first or second disqualification in the selection process.

Upon appointment of the Board of Arbitration, the parties shall arrange a hearing date and start hearings as promptly as possible, for it is the expressed desire of the parties to dispose of all arbitrable disputes as promptly as possible.

The decision of a majority of the Board of Arbitration shall be binding upon the Company, the employee, and the Union, unless any party to the controversy shall, within ten working days subsequent to such award, make a claim in writing that such award was invalid upon the grounds set forth in the Arbitration Statute of California Code of Civil Procedure. Upon receipt of such claim, the parties shall meet promptly to attempt to gain an understanding of such claim, and if possible to work out a solution therefor which will be acceptable to all parties to the controversy. No party to the controversy shall avail himself or herself of the provisions of any section of Code of Civil Procedure relating to the modification or correction of such award until the parties have made a diligent effort to compose their differences concerning the award, and in no event earlier than ten working days subsequent to the conclusion of the discussion of the claims of

the aggrieved party that the award was improper upon the grounds set forth in the Arbitration Statute of the Code.

(B) General Provisions:

If the Union decides to withdraw its request for arbitration, it shall so notify the Company in writing within ten working days of reaching such decision.

It is agreed that no issue or contention shall be arbitrable which is contrary to any express provision of this Agreement nor shall it involve a determination in disregard or in any manner violative of any power, authority, function or duty which under the provisions of this Agreement are expressly vested in or reserved to the Union or to the Company.

It is agreed that the Board of Arbitration or any one of them shall have no jurisdiction, power or authority to amend, modify, supplement, vary or disregard any provision of this Agreement in any respect whatsoever.

6.9 – Adjustment of Status and Pay

Where an appeal through grievance procedure is upheld, the Company agrees to adjust, in accordance with the findings, an employee's status and pay retroactively to the date of filing of the grievance. Notwithstanding and in no event to exceed the remedy contained in Section 6.1 (General Statement), the Board of Arbitration may, in non-discharge disciplinary grievances, modify the action taken by the Company.

Article VII

SHORTAGE OF WORK

7.1 – Seniority in Layoff

When there is a shortage of work in a specific job or job classification at a work location, the Company will seek to achieve reductions locally before expanding the layoff to unaffected areas. Where practical, work force will be reduced through voluntary movement of employees, by reassignment to fill vacancies within the affected job classification at the affected work location, or by voluntary termination from the Company. In addition, the Company will lay off employees in affected positions whose performance is rated less than satisfactory before laying off employees whose performance is satisfactory.

Employees will be subject to layoff in the inverse order of their seniority subject to the conditions specified in this Section. The affected employee subject to layoff is generally the least senior employee in the lowest level job at the affected work location, in the region or system wide. However, it is understood that employees being reassigned or filling positions under the provisions of this section must meet the minimum qualifications for the available job. An employee in a higher job at the affected work location who does not meet the minimum qualification for the lower job, or who is less senior than the least senior employee in the lower job

classification(s) in the same progression, may become the affected employee.

The affected employee will be notified of the shortage of work and will have ten(10) working days to accept a job offer or to terminate from the Company. During this period, the Company will provide the affected employee the opportunity to qualify for vacancies through prequalifying examinations and/or skills testing as required.

(A) The Company will identify vacancies or create vacancies throughout the company as job opportunities with the intent of achieving the reduction at the earliest possible step. Employees impacted by this process will be contacted only after job placement opportunities have been identified. Such employees will be offered the choice of one of the following options:

1. Accepting one of the job vacancy(ies) identified by the Company;

2. Displacing the least senior employee, with less seniority, in the next lower classification in the same job progression at the same work location. This step is repeated to reach the least senior employee in the lowest job classification at the affected work location. If the least senior employee's performance is rated LTS, the employee is terminated with termination wages.

The displaced person who is the least senior employee in the lowest job classification and whose performance is rated satisfactory shall be offered the opportunity to exercise option 1 or to displace the least senior employee in the lowest job classification in the same job progression within the region or systemwide if no opportunity exists within the affected region.

3. Leave the Company with termination wages equal to one (1) week's pay for each completed year of service up to a maximum of 16 weeks.

4. Displace the least senior employee in a job classification the employee held during the previous five(5) years.

(B) Termination From the Company: Employees who terminate under this section, will terminate immediately with termination wages as described above.

(C) Red-Circle Pay: Employees reassigned by the Company under the provisions of this section who accept a job of lower pay grade, will receive red-circle pay until the rate of pay for the new job reaches the pay rate for the job from which the employee was laid off or the employee moves to a parallel or lower job in a different job progression. Refusal of any job offer will eliminate the red-circle premium and the employee's pay will revert to the rate for his or her current job.

(D) Exemption from Restriction: Employees who are *placed in new jobs under this section are exempt from* the one-year restriction from bidding under Article V.

Nothing in this section should be construed as requiring the Company to place and employee in a job for which he or she is not qualified. The refusal of an offer of reemployment will terminate any obligation assumed by the Company.

APPENDIX A

Grade 1

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$664.40	$697.60	$711.20	$724.80	$738.80
Weekly Base Rate Eff. 4/1/03	$684.80	$718.80	$732.80	$747.20	$761.60
Weekly Base Rate Eff. 4/1/04	$708.00	$742.80	$756.80	$771.60	$786.40

CARE Clerk-1
Cashier-1
Cashier-Bilingual-1
Data Entry Operator-1
Facilities Helper
Mail Payment Clerk-1
Mail Sorter-1

Grade 2

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$733.60	$769.60	$784.80	$800.00	$815.20
Weekly Base Rate Eff. 4/1/03	$756.00	$793.60	$808.80	$824.00	$840.00
Weekly Base Rate Eff. 4/1/04	$780.80	$819.60	$835.20	$851.20	$868.00

Administrative Clerk-2
CARE Processing Clerk-2
Cash Records Clerk-2
Collection Checking Clerk-2
Customer Service Representative-2
Customer Service Representative-Bilingual-2
Fleet Assistant
Logistics Associate
Mail Equipment Operator-2
Materials Delivery Control Clerk-2
Meter Repair Technician
Office Clerk-2
Payment Entry Operator-2
PBX Operator-2

Grade 3

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$785.60	$824.80	$841.20	$857.60	$874.40
Weekly Base Rate Eff. 4/1/03	$810.00	$850.40	$866.80	$884.00	$901.20
Weekly Base Rate Eff. 4/1/04	$836.80	$878.40	$895.60	$913.20	$931.20

Administrative Clerk-3
Administrative Clerk-Bilingual-3
Administrative Clerk-Steno-3
Base Assistant-3
Building Service Assistant
Communications Storeroom Keeper
Customer Correspondence Clerk-3
Data Control Clerk-3
Data Distribution Clerk-3
Direct Line Equipment Operator
Gas Analysis Clerk-3
Gas Measurement Clerk-3
Instrument Shop Mechanic #2
Lead Bursting Machine Operator-3
Lead Mail Payments Clerk-3
Mapping Aide (Non-Region)
Mechanic #2
Meter Reading Technician
Meter Records Processing Clerk-3
Outbound Dialing Representative-3
Outbound Dialing Representative-Bilingual-3
Payment Entry Clerk-3
Receptionist
Service Center Clerk-3
Field Service Assistant
Transportation Logistics Representative

Grade 4

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$839.20	$880.80	$898.40	$916.00	$933.60
Weekly Base Rate Eff. 4/1/03	$864.40	$907.60	$925.60	$944.00	$962.40
Weekly Base Rate Eff. 4/1/04	$893.60	$938.00	$956.40	$975.20	$994.40

Administrative Clerk-4
Blacksmith
Construction Technician
Customer Billing Analyst-4
Customer Contact Representative-4
Customer Contact Representative-Bilingual-4
Customer Contact Representative-Steno-4
Customer Contact Representative-Steno-Bilingual-4
Customer Service Representative-4
Customer Service Representative-Bilingual-4
Customer Service Representative-Steno-4
Customer Service Representative-Steno-Bilingual-4
District Operations Clerk
Electrician
Facilities Mechanic
Field Collector
Field Technician
Headquarters Payment Control Clerk-4
Laboratory Assistant
Lead Computer Operator-4
Lead Mail Equipment Operator-4
Logistics Representative
Mapping Assistant (Non-Region)
Materials Inspector
Measurement Technician #2
Meter Reading Clerk-4
Repair Shop Mechanic #1

Grade 5

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$902.40	$947.20	$966.00	$984.80	$1,004.00
Weekly Base Rate Eff. 4/1/03	$929.60	$976.00	$995.20	$1,014.40	$1,034.40
Weekly Base Rate Eff. 4/1/04	$960.00	$1,008.00	$1,028.00	$1,048.00	$1,068.80

Collection Routing Control Clerk-5
Collections Control Clerk-5
Dispatch Specialist
Energy Technician Distribution
Energy Technician Residential
Fabrication Shop Mechanic #1
Fleet Technician
Instrument Shop Mechanic #1
Lead Accounts Control Clerk-5
Lead CARE Control Clerk
Lead Customer Correspondence Clerk-5
Lead Field Collector
Lead Gas Measurement Clerk-5
Lead Meter Mechanic
Lead Meter Reading Clerk-5
Lead Meter Records Clerk-5
Lead Outbounding Dialing Representative-5
Lead Payment Control Clerk-5
Meter & Regulator Technician #2
Photographic Equipment Operator
Pipeline Planning Assistant
Pipeline Technician
Reconciliation Clerk-5
Senior Administrative Clerk-5
Senior Administrative Clerk-Steno-5
Senior Data Control Clerk-5
Senior Data Entry Operator-5
Senior Field Collector
Senior Logistics Representative
Senior Service Center Clerk-5
Station Technician

Grade 6

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$974.80	$1,023.20	$1,043.20	$1,064.00	$1,084.80
Weekly Base Rate Eff. 4/1/03	$1,004.80	$1,054.40	$1,075.20	$1,096.00	$1,117.60
Weekly Base Rate Eff. 4/1/04	$1,037.60	$1,088.80	$1,110.40	$1,132.00	$1,154.40

Assistant Telecommunication Technicain
Commerical Services Technician
Electronic Energy Measurement Technician
Investigation Representative-6
Journey Facilities Mechanic
Laboratory Technician
Lead Branch Office Representative-6
Lead Branch Office Representative-Bilingual-6
Lead Collection Representative-6
Lead Customer Billing Analyst-6
Lead Customer Service Representative-6
Lead Customer Service Representative-Bilingual-6
Lead Engineering Records Clerk
Lead Fleet Technician
Lead Instrument Shop Mechanic
Lead Materials Inspector
Lead Planning Clerk-6
Measurement Electronic Tehnician
Measurement Technician #1
Meter & Regulator Technician #1
Senior Electronics Equipment
Senior Shop Mechanic
Senior Work Order Analysis Clerk
Shop Welder
Special Accounts Representative-6
Station Operations Specilaist
Storage Engineering Specialist
System Protection Specialist

Grade 7

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$1,044.80	$1,096.80	$1,118.40	$1,140.00	$1,162.40
Weekly Base Rate Eff. 4/1/03	$1,076.80	$1,130.40	$1,152.00	$1,174.40	$1,197.60
Weekly Base Rate Eff. 4/1/04	$1,112.40	$1,167.60	$1,190.40	$1,213.20	$1,236.80

Cathodic Protection Specialist
Field Planning Associate
Journey Blacksmith
Journey Electrician
Journey Machinist
Journey Sheet Metal Mechanic
Journey Welder
Lead Construction Technician
Lead Dispatch Specialist
Lead Electrician
Lead Electronics Equipment Technician
Lead Facilities Mechanic
Lead Machinist
Lead Measurement Technician
Lead Repair Shop Mechanic
Mapping Associate
Measurement Specialist
NGV Station Technician
Office Equipment Technician
Planning Associate
Station Maintenance Specialist
Telecommunication Technician
Transmission Welding Specialist

Grade 8

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$1,120.80	$1,176.80	$1,200.00	$1,223.20	$1,247.60
Weekly Base Rate Eff. 4/1/03	$1,155.20	$1,212.80	$1,236.80	$1,260.80	$1,285.60
Weekly Base Rate Eff. 4/1/04	$1,193.20	$1,252.80	$1,277.60	$1,302.40	$1,328.00

Gas Storage Specialist
Industrial Services Technician
Instrument Specialist
Lead Laboratory Technician
Lead Meter & Regulator Technician
Lead Planning Associate
Lead Systems Protection Specialist
Metal Crafts Leader
Senior Telecommunications Technician
System Gas Dispatcher-8
Transmission Pipeline Specialist

Grade 9

6 months per step 2-year progression	Starting	First 6 Months	Second 6 Months	Third 6 Months	Standard 6 Months
Weekly Base Rate Eff. 4/1/02	$1,202.40	$1,262.40	$1,287.20	$1,312.80	$1,338.40
Weekly Base Rate Eff. 4/1/03	$1,239.20	$1,300.80	$1,326.40	$1,352.40	$1,378.80
Weekly Base Rate Eff. 4/1/04	$1,279.60	$1,343.20	$1,369.60	$1,396.80	$1,424.00

Senior Instrument Specialist

APPENDIX B

JOB INDEX LISTING

JOB PROGRESSIONS AND LAYOFF AREAS

The following list includes job progressions referred to in the Position Opportunity System and in Layoff. The payroll classifications included in each job progression are listed in ascending pay grade order.

Job progressions in different Regions/Departments are considered to be of the same type if they have the same progression titles.

Employees in the same job progression or in the same type of job progression at other work locations have bid priority over the other open bidders.

An employee facing layoff may displace another employee only in his or her current job progression and layoff area, or in the same type of job progression in another layoff area. When two or more classifications in a job progression are the same pay grade, for the purpose of layoff, they are to be treated as if they were one single classification.

HEADQUARTERS
ENERGY DISTRIBUTION SERVICES

ACCOUNTING AND FINANCE

Accounts Payable

Senior Administrative Clerk-5
Administrative Clerk-3

Sundry Billing

Senior Administrative Clerk-5
Administrative Clerk-3
Administrative Clerk-2

Reconciliation

Reconciliation Clerk-5

ENERGY DISTRIBUTION SERVICES
DISTRIBUTION OPERATIONS

DO Administrative Support

Lead Dispatch Specialist-7
Dispatch Specialist-5
Senior Administrative Clerk-5
Administrative Clerk-3
District Operations Clerk-4 (NOTE 1)
Administrative Clerk-2

Field Services

Industrial Service Technician
Commercial Services Technician
Energy Technician Residential
Field Technician
Field Service Assistant (NOTE 6)

Construction

Field Planning Associate
Lead Construction Technician (NOTE 2)
Energy Technician Distribution
Construction Technician **(NOTE 6)**

(NOTE1) District Operations Clerk-4 in the DO Administrative Support progression will be considered as promotional bidders within the progression in their immediate region, regardless of work location.

(NOTE 2) Bidders to Lead Construction Technician from the Field Service or Construction job progressions who are qualified and who have performed satisfactorily as a Field Mechanic or Construction Technician in the last five years, shall have preference over bidders without such experience provided that they mark their bid cards "Note 2". In the event of a shortage of work, Lead Construction Technicians shall have layoff rights under Section 7.1, Seniority in Layoffs, into the type of job progression from which the employee bid into Lead Construction Technician.

(NOTE 6) Construction Technicians bidding to the Field Technician classification who meet the minimum qualifications will have equal bid rights to that of the Field Service Assistants.

ENERGY DISTRIBUTION SERVICES
DISTRIBUTION OPERATIONS

Planning

Lead Planning Associate
Planning Associate
Pipeline Planning Assistant

Field Collection

Lead Field Collector
Senior Field Collector
Field Collector

System Protection

Lead System Protection Specialist
System Protection Specialist

Meter and Regulator

Lead Meter and Regulator Technician
Meter and Regulator Technician #1
Meter and Regulator Technician #2

DISTRIBUTION OPERATIONS
INLAND EMPIRE

DO Administrative Support

Lead Dispatch Specialist-7
Dispatch Specialist-5
Senior Administrative Clerk-5
District Operations Clerk-4 **(NOTE 1)**
Administrative Clerk-3
Administrative Clerk-2

***Construction** **(NOTE 2)**

***Field Services**

***Planning**

***Field Collection**

***System Protection**

***Meter and Regulator**

DISTRIBUTION OPERATIONS NORTHERN REGION

***DO Administrative Support** (NOTE 1)

***Construction** (NOTE 2)

***Field Services**

***Planning**

***Field Collection**

***System Protection**

***Meter and Regulator**

DISTRIBUTION OPERATIONS
ORANGE COAST REGION

***DO Administrative Support** (NOTE 1)

***Construction** (NOTE 2)

***Field Services**

***Planning**

***Field Collection**

***System Protection**

***Meter and Regulator**

DISTRIBUTION OPERATIONS
PACIFIC REGION

***DO Administrative Support** (NOTE 1)

***Construction** (NOTE 2)

***Field Services**

***Planning**

****Field Collection***

***System Protection**

***Meter and Regulator**

DISTRIBUTION OPERATIONS SERVICE CENTER

SERVICE CENTER AREA 1

Automotive Maintenance
- Lead Fleet Technician
- Fleet Technician
- Fleet Assistant

Facilities Maintenance
- Lead Facilities Mechanic
- Journey Facilities Mechanic
- Facilities Mechanic

Facilities
- Facilities Helper

Logistics
- Senior Logistics Representative
- Logistics Representative
- Transportation Logistics Representative
- Logistics Associate

Administrative Support
- Service Center Clerk-3 (NOTE 3)

(NOTE 3) Former Administrative Clerk-3's in the LDS Administrative Support progression who are now Service Center Clerk-3s in the Service Center, Administrative Support job progression, will have layoff rights to the Distribution Operations, Administrative Support job progression.

DISTRIBUTION OPERATIONS
SERVICE CENTER

SERVICE CENTER AREA 2

Automotive Maintenance
- Lead Fleet Technician
- Fleet Technician
- Fleet Assistant

Facilities Maintenance
- Lead Facilities Mechanic
- *Journey Facilities Mechanic*
- Facilities Mechanic

Facilities
- Facilities Helper

Logistics
- Senior Logistics Representative
- Logistics Representative
- Transportation Logistics Representative
- Logistics Associate

Administrative Support
- Service Center Clerk-3 (NOTE 3)

(NOTE 3) Former Administrative Clerk-3's in the LDS Administrative Support progression who are now Service Center Clerk-3s in the Service Center, Administrative Support job progression, will have layoff rights to the Distribution Operations, Administrative Support job progression.

DISTRIBUTION OPERATIONS
SERVICE CENTER

SERVICE CENTER AREA 3

Automotive Maintenance

Lead Fleet Technician
Fleet Technician
Fleet Assistant

Facilities Maintenance

Lead Facilities Mechanic
Journey Facilities Mechanic
Facilities Mechanic

Facilities

Facilities Helper

Logistics

Senior Logistics Representative
Logistics Representative
Transportation Logistics Representative
Logistics Associate

Administrative Support

Service Center Clerk-3 (NOTE 3)

(NOTE 3) Former Administrative Clerk-3's in the LDS Administrative Support progression who are now Service Center Clerk-3s in the Service Center, Administrative Support job progression, will have layoff rights to the Distribution Operations, Administrative Support job progression.

DISTRIBUTION OPERATIONS
SERVICE CENTER

SERVICE CENTER AREA 3

Administrative Support
- Senior Service Center Clerk-5
- Service Center Clerk-3 (NOTE 3)
- Receptionist Clerk-3
- PBX Operator-2

Electrician
- Lead Electrician
- Journey Electrician

Office Equipment Repair
- Office Equipment Technician

Materials Inspection
- Lead Materials Inspector
- Materials Inspector

Meter Shop
- Lead Meter Mechanic
- Meter Repair Technician

(NOTE 3) Former Administrative Clerk-3's in the LDS Administrative Support progression who are now Service Center Clerk-3s in the Service Center, Administrative Support job progression, will have layoff rights to the Distribution Operations, Administrative Support job progression.

DISTRIBUTION OPERATIONS SERVICE CENTER

SERVICE CENTER AREA 3

Electronics Repair Shop

Lead Electronics Equipment Technician
Senior Electronics Equipment Technician

Measurement Operations Administrative Support

Lead Planning Clerk-6
Lead Meter Records Clerk-5
Meter Records Processing Clerk-3
Material Delivery Control Clerk-2

NGV Maintenance

NGV Station Technician
Electronic Energy Measurement Technician

Instrument Shop

Lead Instrument Shop Mechanic
Instrument Shop Mechanic #1
Instrument Shop Mechanic #2

Repair Shop

Lead Repair Shop Mechanic
Senior Shop Mechanic
Repair Shop Mechanic #1
Mechanic #2

Machine Shop

Lead Machinist
Journey Machinist

DISTRIBUTION OPERATIONS
SERVICE CENTER

SERVICE CENTER AREA 3

Measurement Electronics
Measurement Electronics Technician

Blacksmith*
Journey Blacksmith
Blacksmith

Fabrication Shop*
Journey Sheet Metal Mechanic
Fabrication Shop Mechanic #1
Mechanic #2

Metal Crafts*
Metal Crafts Leader

Welder*
Journey Welder
Shop Welder

*Journey Welder, Journey Blacksmith, and Journey Sheet Metal Mechanic are considered first for promotion to Metal Craft Leader prior to any other candidates.

DISTRIBUTION OPERATIONS SERVICE CENTER

TELECOMMUNICATIONS FIELD

Telecommunications Technical

Senior Telecommunications Technician
Telecommunications Technician
Assistant Telecommunications Technician

Communications Storeroom

Communications Storeroom Keeper

Communications Administrative Support

Administrative Clerk-3

HEADQUARTERS
ENERGY DISTRIBUTION SERVICES

CUSTOMER CONTACT

Customer Resource Center

Lead Customer Service Representative-6
Customer Service Representative-4
Customer Service Representative-2
Office Clerk-2

Customer Contact

Lead Branch Office Representative-6
Customer Contact Representative-4
Administrative Clerk-4
Cashier-1

DAP

Senior Administrative Clerk-5
Administrative Clerk-3-Bilingual
Administrative Clerk-3

Correspondence

Lead Customer Correspondence Clerk-5
Customer Correspondence Clerk-3

Investigation

Investigation Representative-6

Outbound Dialing

Lead Outbound Dialing Representative-5
Outbound Dialing Representative-3
Outbound Dialing Rep-Bilingual-3

HEADQUARTERS
ENERGY DISTRIBUTION SERVICES

REVENUE MANAGEMENT SERVICES

Credit and Revenue Collection

Lead Collection Representative-6
Senior Administrative Clerk-5
Collection Control Clerk-5
Collection Routing Control Clerk-5
Administrative Clerk-3
Collection Checking Clerk-2

Customer Billing Services

Lead Customer Billing Analyst-6
Special Accounts Representative-6
Lead Accounts Control Clerk-5
Customer Billing Analyst-4
Administrative Clerk-3
Office Clerk-2

Remittance Processing

Lead Care Control Clerk-5
Lead Payment Control Clerk-5
Headquarters Payment Control Clerk-4
Data Control Clerk-3
Payment Entry Clerk-3
Care Processing Clerk-2
Cash Records Clerk-2
Payment Entry Operator-2
Care Clerk-1
Mail Payment Clerk-1

Customer Meter Reading Services

Meter Reading Clerk-4
Meter Reading Technician-3
Meter Reader - R

HEADQUARTERS
ENERGY DISTRIBUTION SERVICES

REVENUE MANAGEMENT SERVICES

Data Distribution

Senior Data Control Clerk-5
Senior Data Entry Operator-5
Lead Computer Operator-4
Lead Mail Equipment Operator-4
Data Distribution Clerk-3
Lead Bursting Machine Operator-3
Mail Equipment Operator -2
Office Clerk-2

ENERGY TRANSPORTATION SERVICES

CUSTOMER SERVICES AND MARKETING

REVENUE CYCLE SERVICES

Billing and Collections Administrative Support
Lead Gas Measurement Clerk-5
Gas Measurement Clerk-3

Regulatory Compliance Administrative Support
Administrative Clerk-3

CAPACITY AND OPERATIONAL PLANNING

Capacity and Operational Administrative Support
Senior Administrative Clerk-5

System Dispatch
System Gas Dispatcher-8

COMMERCIAL AND INDUSTRIAL MARKETING

Commercial and Industrial Sales
Support Administrative Clerk-3

Staff Services Administrative Support
Senior Administrative Clerk-5

ENERGY TRANSPORTATION SERVICES

TRANSMISSION AND STORAGE OPERATIONS

TRANSMISSION

Station Operations
Station Operations Specialist
Station Technician (NOTE 4)

Base Operations
Base Assistant

Instrument
Senior Instrument Specialist
Instrument Specialist
Measurement Specialist

Station Maintenance
Station Maintenance Specialist
Station Technician (NOTE 4)

Cathodic Protection
Cathodic Protection Specialist
Pipeline Technician (NOTE 5)
Station Technician (NOTE 4)

Pipeline
Transmission Pipeline Specialist
Transmission Welding Specialist
Pipeline Technician (NOTE 5)

Transmission Pipeline Planning
Pipeline Planning Assistant

Administrative Support
Senior Administrative Clerk-5
Administrative Clerk-4
Administrative Clerk-3

(NOTE 4) Employees in the Station Technician classification will have: 1) transfer priority to any Station Technician job regardless of progression or department; 2) progression bid priority to higher jobs in their immediate job progression or same type of progression elsewhere; 3) change in line of work bid priority to Specialist jobs in any other progression.

(NOTE 5) Employees in the Pipeline Technician classification will have: 1) transfer priority to a ny Pipeline Technician job regardless of progression or department; 2) progression bid priority to higher level jobs in their immediate progression; 3) change in line of work bid priority to higher level jobs in other progressions.

ENERGY TRANSPORTATION SERVICES

TRANSMISSION AND STORAGE OPERATIONS

STORAGE

Station Operations
- Station Operations Specialist
- Station Technician (NOTE 4)

Base Operations
- Base Assistant

Instrument
- Senior Instrument Specialist
- Instrument Specialist
- Measurement Specialist

Station Maintenance
- Station Maintenance Specialist
- Station Technician (NOTE 4)

Cathodic Protection
- Cathodic Protection Specialist
- Station Technician (NOTE 4)

Gas Storage
- Gas Storage Specialist
- Station Technician (NOTE 4)

Storage Engineering
- Storage Engineering Specialist-6
- Senior Work Order Analysis Clerk-6

Administrative Support
- Senior Administrative Clerk-5
- Administrative Clerk-3

(NOTE 4) Employees in the Station Technician classification will have: 1) transfer priority to any Station Technician job regardless of progression or department; 2) progression bid priority to higher jobs in their immediate job progression or same type of progression elsewhere; 3) change in line of work bid priority to Specialist jobs in any other progression.

ENERGY TRANSPORTATION SERVICES

TRANSMISSION AND STORAGE OPERATIONS

ENGINEERING

Engineering Analysis Center
- Lead Laboratory Technician
- Laboratory Technician
- Laboratory Assistant

Engineering Services Administrative Support
- Administrative Clerk-3

Measurement Gas Analysis
- Lead Measurement Technician
- Measurement Technician #1

Mapping
- Mapping Associate
- Mapping Assistant
- Mapping Aide

Mapping Administrative Support
- Lead Engineering Records Clerk-6
- Photo Equipment Operator-5
- Senior Administrative Clerk-5
- Administrative Clerk-3
- Direct Line Equipment Operator

APPENDIX C

LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO, LOCAL 522-SALES RE SECTION 2.2 (A) - RECOGNITION

The functions currently performed by the classification of Energy Sales Engineers, Commercial Accounts Specialist, Major Builder Account Specialist and Dietitian are to be recognized as managerial duties outside the scope of the Agreement and that the Union ceases its representation of the employees performing said functions effective upon acceptance of the contract.

The Company agrees to accept all current incumbents into management positions.

Affected employees would be eligible for the special early retirement program, adding three (3) years to age and three (3) years to seniority.

Affected employees would be eligible for any open CSP jobs on a priority basis until September 1, 1994. However, they will be held to the same performance standards as any CSP achieving the job on a regular basis.

Affected employees who wish to return to the bargaining unit would have layoff priority rights in bidding for one year. Pay upon return to the bargaining unit would be grandfathered at the rate they were receiving

when they left the bargaining unit.

In addition, the Company and the Union agree to the following stipulated conditions:

1. Each qualified participant in the 1993 nonmanagement Marketing Incentive Plan will receive a 2% Customer Service Satisfaction Bonus.

2. The Union will withdraw the overtime/compensation charge with the Department of Labor.

3. The Union will withdraw the NLRB case for alleged unilateral changes in Marketing with respect to the ESEs.

4. All grandfathered employees in the bargaining unit as well as any grandfathered employee transferring into the bargaining unit will be subject to 2.2 beginning July 1, 1994. Section 2.2 will be revised accordingly.

Accepted:

G. A. Acosta For the Union	G. Joyce Rowland For the Company
H. L. Garcia For the Union	

Date: 3/9/94 3/9/94

LETTER OF AGREEMENT BETWEEN THE GAS COMPANY AND LOCAL 132 OF THE UTILITY WORKERS UNION OF AMERICA, AFL-CIO, RE SECTION 2.2 (C) - BI-WEEKLY DUES

An employee may join or authorize that dues deductions be paid to Local 132, Utility Workers Union of America, AFL-CIO. Upon individual authorization in writing on a form acceptable to the Company, the Company will, on each payday of every month, deduct from any employees' wages for the related pay periods the amounts required to equal total membership dues. The Union agrees that the dues shall be constructed in dollar amounts evenly divisible by two. Such authorization shall be effective as of the first of the month following that in which the authorization is received by the Company. Such deduction will be made only if the employee has earnings of 20 or more regular straight-time hours in such related pay period (including the final pay period of employees who terminate or transfer between companies). An employee with a Union dues deduction authorization in effect who transfers from one unit to another as defined in Section 2.2(A) (Recognition), shall be required to submit a new authorization within 30 calendar days following the effective date of his or her transfer.

Accepted:

	Dale J. Viot For the Union	G. Joyce Rowland For the Company
Date:	3/9/94	3/9/94

LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO, AND INTERNATIONAL CHEMICAL WORKERS UNION, AFL-CIO, FOR TRANSMISSION RE SECTION 7.1
or Letter of Agreement, Layoffs

With respect to Transmission, no layoff bidder shall be placed into the following open jobs...

Cathodic Protection Specialist
Gas Storage Specialist
Instrument Specialist
Senior Instrument Specialist
Station Maintenance Specialist
Station Operations Specialist
System Gas Dispatcher-11
Transmission Pipeline Specialist
Transmission Welding Specialist

...If the job is higher than their current pay level unless the list of senior, qualified bidders for the position has been exhausted.

Accepted:

Dennis Zukowski President, Local 483-UWUA, AFL-CIO For the Union	G. J. Rowland Manager of Labor Relations For the Company

Date: 3/9/94 3/9/94

LETTER OF AGREEMENT

Part-time and full-time temporary employees in bargaining unit positions shall become part of the unit after 520 hours of continuous employment in a 12-month period. Calculation of hours worked will begin the first of the month immediately following signing of the contract.

They will pay prorata dues or dues equivalent after 520 hours of continuous employment in a 12-month period.

The only part of the contract which applies to part-time and full-time temporary employees is Section 4.1(A) (excluding premiums not currently paid to part-time or full-time temporary employees).

As in the past, part-time and full-time temporary employees are terminable at will.

Dues check-off will be initiated as soon as programming changes are made. This should be about September 1, 1994.

Accepted:

	Dale J. Viot For the Union	G. Joyce Rowland For the Company
Date:	3/9/94	3/9/94

Note: In addition to the above, part-time employees are accorded bidding rights under *Section 5.10 (Position Opportunity and Placement).*

LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO, AND INTERNATIONAL CHEMICAL WORKERS UNION, AFL-CIO, RE MEDICAL PLAN

As a result of the 1993 negotiations, the Union and the Company hereby agree to set up an ongoing structure to facilitate the development of joint approaches to benefit issues.

Five members of the UWUA and five members of the ICWU will participate as a Benefit Committee. This Committee will meet regularly once every two (2) months with additional meetings called upon as needed. In addition to receiving benefit plan financial data, the Committee will attempt to work with the Company to anticipate the needs of both parties in ensuring contract negotiations, and solve these problems through long-range planning.

If either party requests a Special Committee meeting, this request must be made in writing and must propose a meeting and location mutually convenient to both parties. Unless waived by both parties, the meeting request should be at least 20 days in advance of the meeting date, and should be accompanied by an agenda of the most relevant items to be discussed. In addition, the joint union expects a continuation of the current relationship where reasonable benefit information requests are responded to quickly by the Company.

Accepted:

	Dale J. Viot For the Union	G. Joyce Rowland For the Company
Date:	3/9/94	3/9/94

LETTER OF AGREEMENT WITH UTILITY WORKERS UNION OF AMERICA, AFL-CIO CONSECUTIVE DAY RULE-TRANSMISSION

An employee whose schedule is changed where such change affects previously scheduled days off and results in the employee working in excess of seven (7) consecutive days, will be paid one (1) dollar per hour above their hourly rate. This special premium will be paid for hours worked on the entire regular work schedule until employee is off with or without pay for a full day for any reason or until Section 4.2 (G) applies.

Regular Schedule								New Schedule						
1	2	3	4	5	6	7	I	8	9	10	11	12	13	14
S	S	M	T	W	TH	F	I	S	S	M	T	W	TH	F
X	X	D	D	D	D	D	I	G	G	G	G	G	X	X

Shift Change

Note:

1. Employee's schedule was changed, which affected his or her scheduled days off and worked more than 7 consecutive days.
2. The employee is entitled to 1 dollar per hour for each regular hour worked until an employee is off for a full day or until 4.2(G) applies.
3. One (1) dollar premium does not apply to overtime worked.

Accepted:

	Dennis Zukowski For the Union	G. Joyce Rowland For the Company
Date:	3/9/94	3/9/94

LETTER OF INTENT RE SECTION 5.10 (D)

Listed below is the procedure for handling Job Requisitions (JRs) which are received in Employment for outside hire, including at which point additional referrals are made to Employee Placement for late bidders:

(1) Applicant pool is checked for qualified applicants.

(2) Hiring interviews are scheduled.

(3) If there are no qualified applicants, recruit as appropriate by recorded employment information advertising, and/or targeted recruiting, etc.

(4) If recruiting efforts specifically stated recruiting for current openings, hiring interviews for qualified applicants are scheduled.

(5) If recruiting efforts fail to generate qualified candidates, the JRs are returned to Employee Placement for late bidders.

(6) If recruiting efforts stated recruiting for future openings, the JRs are referred back to Employee Placement for late bidders prior to scheduling applicants for hiring interviews.

(7) If the requested number of applicants has been interviewed and turned down by the hiring supervisor for job-related reasons, the JRs are referred back to Employee Placement for late bidders before scheduling additional applicants for interviews.

LETTER OF AGREEMENT – SECTION 5.10 (J) PART-TIME WORK FOR DISABLED EMPLOYEES

Allow able "permanent and stationary" disability employees who cannot return to their regular and customary work to work part-time on a voluntary basis, subject to the following:

(1) Combined active and disability wages will equal or exceed the employee's disability pay rate, depending on the level of the part-time job and the work schedule, but cannot exceed the full-time pay rate for the part-time job classification.

(2) The eligibility period for employees who are limited to 5 years of disability benefits will be extended by one calendar day for each 8 hours actually worked but the employee will be terminated upon completing 5 cumulative years on the disability payroll.

(3) Vacation accrued, based on seniority and time actually worked in the part-time assignment, may be used after a 180-day waiting period.

(4) Sickness allowance accrued, based on seniority and time worked in the part-time assignment, may be used on scheduled workdays if unable to work for medical reasons unrelated to the illness or injury that precludes a return to usual and customary work.

(5) Two holiday credits available upon return to work in the part-time assignment.

(6) Effective January 1, 1994.

Accepted:

	Dale J. Viot For the Union	G. Joyce Rowland For the Company
Date:	3/9/94	3/9/94

LETTER OF INTENT – CLASSES OF EMPLOYMENT

The Company policy regarding Classes of Employment is as follows:

A. General

The Company maintains two classes of employment, Regular and Temporary, to meet its basic operational needs. Special employment needs are met through independent contract employment.

B. Regular Employment

"Regular employment" is appropriate when the work is of sufficient duration to warrant the creation of a regular full-time job. Regular jobs are created or eliminated depending upon the condition of the Company's business. All persons hired into regular employment serve a probationary period of six to nine months.

C. Temporary Employment

"Temporary employment" is appropriate when the work is of insufficient duration or volume to warrant a regular position. There are two types of temporary employment, Full-time or Part-time.

1. **Full-time temporary employment** may not normally exceed a lifetime maximum of six months continuous or accumulated employment. Circumstances may develop to warrant an employee exceeding the limitation. Full-time temporary employment is appropriate when it appears that the temporary job may

evolve into a regular position.

2. **Part-time temporary employment** is appropriate when the employee is normally scheduled to work a maximum of 40 hours per biweekly pay period (including overtime). It is normally limited to less than 1,000 hours total accumulation during the first 12 months of employment and each subsequent calendar year. Exceptions to the limitation may occur due to the complexity of some part-time jobs, unforeseen heavy work loads or other emergencies.

(a) Part-time temporary employees are not worked beyond the regular schedule solely to reduce occasional overtime work by regular employees, nor used for the purpose of paying lower salaries.

(b) Part-time temporary employment, within the limits described above, may continue for relatively long periods with the understanding that part-time employees are not used when essentially the same results are obtainable by using regular full-time employees.

(D) Contract Employment

"Contract employment" instead of temporary employment is the preferred method of hiring when the length of a full-time temporary assignment would not offset Company costs incurred for temporary Company

employment, i.e., hiring, training, and unemployment insurance benefits. Contract employment is also appropriate when work of a limited duration requires a special skill which can best be met by using personnel obtained from "Contractors" or individuals working as consultants.

1. **Contract employees** for office work are hired through temporary personnel agencies. Predetermined costs, for most classifications, have been established through an annual bid process between Human Resources and the Contractors. Arrangements for such contract personnel are made centrally through Human Resources.

2. **Contract employees** for field and mechanic work are arranged for by the operating departments involved. They are used for the most part in two circumstances: (1) In situations of fluctuating work loads, to avoid periodic shortages of work for regular employees; or (2) when Contractors have specialized skills or equipment which makes it more efficient for the Company to use them.

3. **Distribution Contract Employment** shall be held to a ratio of Company/contract employees not to exceed 40% contract employees.

CHILD CARE

The Company proposes to establish 4 Regional and 1 Headquarters task force teams to develop and implement child care initiatives based on the needs and possibilities of each area.

Each team will be funded with $5,000 to use as each determines, except that no funds can be paid directly to employees.

Teams will convene after consolidation is complete.

The following are examples of initiatives the teams may implement:

- Identify and publicize local child care options
- Work with other area employers to establish coalitions, and use the $5,000 as our contribution to the establishment of a local child care facility.
- Use the $5,000 as "seed money" to help a child care provider establish a convenient facility.

Field Service Assistant
Side Letter Agreement

The Company and Union agree that the newly created Field Service Assistant (FSA) classification is to assist in completing non-entered company orders on customers' premises. This classification will be added to the Field Service Progression and is considered "Safety Sensitive" as outlined in the Department of Transportation Regulations.

Current Seismic Service Representatives will be mapped to the FSA classification.

Construction Technicians bidding to Field Technician positions shall have bid rights that are equal to the Field Service Assistant.

J. B. Lane	Marti Harris
For the Company	For the Union
Date: 5/21/2002	Date: 5/21/2002

Part Time Employees and Transitional Meter Reader Side Letter Agreement

The Company and Union agree,

Part Time employees with 6 months of service will be afforded all rights under Article VI for any discipline received from Section 6.3B.

Part Time Employees who work 1,000 hours or more per year shall receive 16 hours of Personal Business time the following year. If an employee works more than 700 hours but less than 1,000 hours in any following year after reaching the initial 1,000-hour threshold, that employee will receive 8 hours of Personal Business time the following year.

The Current Transitional Meter Reader classification will be changed to Meter Reader-R, which will be a regular, full time classification. Employees who are currently classified as Transitional Meter Readers will have their status changed to regular, full time, employees. The current incumbent Transitional Meter Readers will receive the following:

1. Prorated vacation of eight (8) days for 2002.

2. Sickness allowance per the contract for new employees. (see page 57 of the current agreement.)

3. Wage rate will remain as currently structured ($13.91/hr). The hourly rate will be adjusted according to any agreed upon wage increase.

New employees (from part-time or external) bidding to the Meter Reader-R position will be treated as a new hire subject to the terms and conditions of Article IV of the contract.

The Meter Reader-R classification will be added to the Customer Meter Reading Services Job Progression.

J. B. Lane	Marti Harris
For the Company	For the Union
Date: 5/21/2002	Date: 5/21/2002

Contract Employee Reports
Side Letter Agreement

The Company and Union agree to the following:

The Company will provide a semi-annual report to the Union identifying contract employees doing represented work (excluding Distribution), including start dates and cumulative hours.

The Company will provide a semi annual report of Distribution Contract employment showing the ratio of Company/Contract employees.

The following planning job classifications, Pipeline Planning Assistant (PPA) & Field Planning Associate (FPA), will be added to Section 2.1(B)(1), "Contracting Out" and will be considered "Fenced-In Classifications.

J. B. Lane	Marti Harris
For the Company	For the Union
Date: 5/21/2002	Date: 5/21/2002

Station Technicians In Storage
Side Letter Agreement

The Company and Union agree to the following:

In addition to Shift Change Rights as outlined in Section 3.6 of the Agreement, Station Technicians in Storage may request a change in line of progression from Station Technician/Maintenance to Station Technician/Operations and vice versa at their immediate work location.

The employee requesting the change must have greater seniority than the least senior Station Technician in the requested progression at the location. Changes are limited to once per year and must coincide with the shift changes. A letter requesting the change must be submitted in writing to the appropriate supervisor not later than the first day of the preceding January, to be effective the following February.

J. B. Lane	Marti Harris
For the Company	For the Union
Dat: 5/21/2002	Date: 5/21/2002

Position Questionnaire Analysis (PAQ)
Side Letter Agreement

The Company and Union agree to the following:

1. No job can be lowered unless it falls at least 5 points below the bottom if it's grade.

2. All PAQ results will be in whole numbers with .5 of a point rounded up.

3. PAQ's to be done only when
   a. General Bargaining in progress.
   b. Brand New Classifications
   c. Mid-Term by mutual agreement when major changes take place in an existing classification.

4. All PAQ's to be completed within 12 months. PAQ to by done be Jeanerette with full participation of 2 Union people. Union participants must be cleared by the Company and fifty percent of their time will be paid by the Company. When only one represented employee is required to participate in the PAQ process, the Company will pay the full cost.

5. The Union and Company agree to PAQ the following classifications:
   - Meter & Regulation Technician #1
   - Electronic Energy Measurement Technician
   - Investigation Representative
   - System Gas Dispatcher
   - CARE JOBS
   - Field Planning Associate
   - Office Clerk 2 (Customer Resource Center)
   - Base Assistant
   - Telecommunication Technician
   - Sr. Telecommunication Technician
   - Commercial Service Technician
   - Truck Drivers (Logistics)
   - Meter Reading Technician

6. The Company further agrees to review the Admin Clerk 3 positions within the next 12 months to determine whether any of these positions should be treated as separate classifications.

J. B. Lane
For the Company
Date: 5/21/2002

Marti Harris
For the Union
Date: 5/22/2002

Out of Town Expenses
Side Letter Agreement

The Company and Union agree to the following:

Employees who are reimbursed for out-of-town expenses for Company-required training can receive pay of excess time and mileage to return home during breaks in training of two days or more. This option is available in lieu of paid lodging and per diem expenses, during such breaks. Supervisors must be notified in time to avoid lodging cancellation costs.

J. B. Lane	Marti Harris
For the Company	For the Union
Date: 5/21/2002	Date: 5/21/2002

Energy Technician - Distribution
Side Letter Agreement

The Former Field Mechanics (as of 11/2/96) who have not *secured an Energy Technician - Distribution position shall* have priority bid rights to the ET-D classification over all other bidders. This revised agreement shall remain in effect for the term of the contract (April 1, 2002 through December 31, 2004).

J. B. Lane	Marti Harris
For the Company	For the Union
Date: 5/21/2002	Date: 5/21/2002

INDEX

Appraisals, Job Performance 121-123
Arbitration..... 135, 141-152
Bidding, Job 104-116
Bilingual Premium 61
Bulletin Boards, Union 18-19
Call-out, Short-Notice 50-53
Classification Changes 40-41
Contracts, Outside 4-5
Demotion and Discharge 130, 133-135
Disabled Employee Placement..... 114-115
Disciplinary Interview..... 136-137
Disciplinary Layoff..... 130-131
Discrimination 19
Emergency Time Off..... 85-87
Expenses — Lodging, Moving..... 95-96
— Meals 49
— Overnight 96
Grievance Procedure..... 135-141
Holidays 79-81
Inclement Weather 102
Job Profile Index 19
Industrial Accidents..... 72-73

Interim Meetings 22
Job Placement, Disabled Employees 114-115
Jury Duty 87
Layoff, Shortage of Work 153-156
Leave of Absence — Military 81-83
— Personal 83-85
— Family Leave Policy 73-78
— Union 7-10
Letters of Agreement 188-208
Management Rights 4
New Employee Notification 19
New Jobs 6, 113
New or Modified Regions 118-120
Notices 21
On-Call Pay 58-61
Overtime — Calculation 48
— Consecutive-Day Rule 55
— Extensive 53-55
— General 47-48
— Meal Allowance 49
— Planned Call-Out 56
— Short-Notice Call-Out 50-53
Patents 87-88
Pay Days 43-44

Pay Rates 43
Pay Schedules 45-46
Peace Principles 1-3
Personal Time Off 85-87
Picket Lines 15-16
Placement Upon Return from Authorized Absence113-114
Planned Call-Out 56
Position Opportunity System 104-116
Posting of Jobs 112
Premium Rates 56-61
Probationary Period 31-33
Promotion 104-116
Rate Schedules 157-165
Refusal of Duties 41-42
Relatives, Work Assignments 101-102
Return from Authorized Absence 113-114
Safety 22-26
Schedules, Work 96-100
Seniority, Seniority List 31-40, 152-156
Shop Committees 26-31
Short-Notice Call-Out 50-53
Shortage of Work 152-156
Sickness Allowances 68-72
Strike and Lockout 14-15

Supervisory Promotion..... 115-116
Technical Layoff 117-118
Temporary Assignments 104
Term of Agreement 19
Termination Wages..... 133-134
Time Sheets..... 48-49
Transfers..... 9, 107, 111
Uniforms — Coveralls 91-94
— Footwear 94-95
— Jackets 94
Union Activity..... 13-14
Union Membership 10-13
Union Time Off 7-10
Vacations 61-67
Wage Rates 158-166
Work Schedules..... 96-101
Zipper Clause 20

Appendix A 158-166
Appendix B 167-188
Appendix C 189-209

PRINCIPAL CHANGES FROM THE PREVIOUS AGREEMENT

April 1, 2002

Section 1.1	Labor Management Peace Principles: Revise section to remove reference to Parent and Affiliate Companies.
Section 2.1(B)(1)	Contracting Out: Revise to include Pipeline Planning Assistant and Field Planning Associate positions as "fenced in" classifications.
Section 2.2(H)	Union Officers: Revise section to remove reference to Company Regions and increase number of Union officers who may be excluded from off hour shifts.
Section 2.4(A)	Term: This Agreement effective from April 1, 2002 through December 31, 2004.
Section 2.5(D)	Safety Committees: Revise section to incorporate side letter of agreement from Appendix C.
Section 3.6	Seniority in Shift Assignment: Revise section to include language absence of shop committee agreement, vacant shifts will be filled in inverse seniority order. Language also revised to reflect current practice in Customer Resource Center.
Section 4.1(A)	Base Wages: Revise section to reflect weekly pay rate periods, April 1, 2002 through March 31, 2003, April 1, 2003 through March 31, 2004, and April 1, 2004 through December 31, 2004.

Section 4.2(A)	Overtime Policy in General: Revise section to add overtime eligibility list will be zeroed out unless alternate agreement in shop committee. Delete language that limits triple shift premium eligibility to only to Customer Service Field personnel.
Section 4.2(B)	Definition of Shifts: Modify section to define swing shifts starting at 12:00 pm and graveyard shift starting at 8:00 pm.
Section 4.2(E)	Overtime Meal Allowance: Revise section to increase meal allowance to $12.50.
Section 4.3(A)	Premiums: Revise section to provide increase of all premium rates; 3% effective 4/1/02, 3% effective 4/1/03, and 3.25% effective 4/1/04.
Section 4.3(E)	On call Pay: Revise section to allow alternative residency requirements regarding 30 minute rule, if mutual agreement.
Section 4.3 (F)	Bilingual Premium: Revise section to change premium rate from weekly to hourly. Also remove Bilingual bumping right.
Section 4.4(A) II	Conditions Governing Vacation Allowance: Revise section to reflect Unused Holiday hours do not become part of the Vacation allowance, instead remain in a separate holiday bucket until used or cashed out.
Section 4.4 (B)	Sickness Allowance: Revise section to reflect Maximum of 80 hours of current sick time for employees with two years or more.
Section 5.10(B)	Requesting a Job Move: Revise section to clarify disability bid priority, eliminate transfer priority, eliminate "In & Out" rule.

Section 5.10(C) 2	Pre-qualification Examinations: Revise section to increase the number of hours for testing from eight to twelve.
Section 5.10(C) 3	Shortage of Work: Revise section to remove time limit for testing when an employee is affected by a shortage of work.
Section 5.10(D)	Acknowledgement and Validity of Job Requests: Revise section to allow bids to be active for 18 months.
Section 5.12	Certifications: Revise section to reflect Company to pay for all job required certification and licenses, Company will also provide sufficient time during regular hours for studying and testing.
Section 6.8	Grievance / Arbitration Procedure: Revise section to add footnote that references 15 day limit for protesting job bid disqualifications.
Appendix A	Revise section to reflect new pay grades and step progressions
Appendix B	Eliminate transfer priority language; create new Field Service Assistant and Meter Reader-R classification; Remove EEM job progression: place EEMT into the NGV job progression.
Appendix C	Side Letter of Agreements · Field Service Assistant · Contract Employee Reports · Part Time Benefits / Meter Reader R · PAQ Process · Out Of Town Expenses · Former Field Mechanics · Station Technicians in Storage

IN WITNESS WHEREOF, ***the parties hereto have executed this Agreement on*** July 29, **2002.**

For Southern California Gas Company

J.B. Lane
V.P. Labor Relations

Michael Shurley
Manager, Labor Relations

For Utility Workers Union of America, AFL-CIO, and International Chemical Workers Union Council, UFCW, AFL-CIO:

Bernardo R. Garcia
Region 5 Director, UWUA, AFL-CIO

Sam Weinstein
Assistant to the National President, UWUA, AFL-CIO

Marta Harris
President, Local 132 UWUA, AFL-CIO

Randy Fort
President, Local 170 UWUA, AFL-CIO

Dennis Zukowski
President, Local 483 UWUA, AFL-CIO

Dan Kyle
President, Local 522 UWUA, AFL-CIO

Joey Carrasco
Secretary Treasurer, Local 132 UWUA, AFL-CIO

David Brown
Secretary Treasurer, Local 588 UWUA, AFL-CIO

Craig Gibbons
Local 132 UWUA, AFL-CIO

Javier Manzano
Local 132 UWUA, AFL-CIO

Frank Rosenberger
Local 132 UWUA, AFL-CIO

James Shelton
Local 132 UWUA, AFL-CIO

John Lewis
Representative, ICWU, AFL-CIO

Robert Gonzalez
President, Local 47 ICWU, AFL-CIO

James T. O'Donnell
President, Local 78 ICWU, AFL-CIO

JoAnn C. Rizzi
President, Local 350 ICWU, AFL-CIO

Raquel G. Looney
President, Local 995 ICWU, AFL-CIO

Marvin Turner
Local 350 ICWU, AFL-CIO

The Gas Company®

SOUTHERN CALIFORNIA GAS COMPANY
P.O.BOX 3249
LOS ANGELES CA 90051-1249