



Advanced Meter Project Letter Agreement

Southern California Gas Company (Company) and the Utility Workers Union of America and International Chemical Workers Union Council (Union) share a desire to mitigate adverse impacts of the Company's Advanced Meter Project on employees. To this end, the parties have entered into this non-precedent setting Advanced Meter Project Letter Agreement.

This Letter Agreement resolves the Union's Advanced Metering Infrastructure (AMI), ETR Hiring and Electronic Bidding grievances (#10-G-JNT-4339-0155, #09-G-132-4612-0168 and #09-G-132-1659-0166, respectively); the Union will withdraw these grievances and pending requests for arbitration. In exchange for the benefits provided herein and upon execution of this agreement, the Union will also withdraw its Application for Rehearing of the CPUC's AMI decision. The Union will also not engage in external opposition or campaigns against the Company's Advanced Meter implementation. Unless specified otherwise herein, terms of the Collective Bargaining Agreement (CBA) in effect at the time will apply.

1. Priority Placement Program

Within sixty days of execution of this Agreement the Company will establish a Priority Placement Program (PPP) for Eligible Meter Reading Employees as set forth in Attachment 1.

2. Advanced Meter and Module Deployment

The Company will in-source Advanced Meter Project meter change and module installation work, with the following provisions (a-1) that will remain in effect through December 31, 2017 or until the Company determines that Advanced Meter Project deployment is complete.

a. **Advanced Meter Project Positions** - The Company will establish two regular job classifications during the Advanced Meter deployment period:

- Advanced Meter Project Field Representative - Install module-equipped meters and/or modules on meters; and
- Advanced Meter Project Office Representative - Set installation appointments with customers and/or perform general clerical duties supporting the Advanced Meter Project.

The Company will determine when, how many and where the positions are created. While subject to change, it is anticipated Advanced Meter deployment will begin in 2012 with a pre-implementation test, followed by full implementation beginning in early 2013. The Advanced Meter Project Positions will be created according to project needs as determined by the Company and, excluding the temporary positions noted below, will be posted in E-Bid.

During the pre-implementation test(s), a relatively small number of project positions will be filled on a voluntary, temporary basis (for 1-2 months) from the existing workforce at the district where the pilot is being conducted or district bases within 20 miles of the deployment site, based on seniority. These employees will retain their existing pay and benefits through the duration of the temporary assignment.

Employees eligible for an Advanced Meter Project Position must meet the minimum qualifications the Company has established for these positions (see Attachment 2) and successfully complete a job interview. Employees must also successfully complete Company-provided training in order to be placed in an Advanced Meter Project Position.

The Company will fill Advanced Meter Project Positions in the following order:

1. Employees by seniority in Advanced Meter Project Positions who would otherwise be terminated due to a shortage of work (e.g., due to completion of Advanced Meter Project deployment at a particular Advanced Meter deployment site);
2. Employees by seniority in Advanced Meter Project Positions who want to transfer to a different deployment site may do so provided they have performed satisfactorily for the most recent six months in an Advanced Meter Project Position at their current site or for the entire period of their employment in an Advanced Meter Project Position (if less than six months);
3. Qualified Full-Time Meter Reading employees by seniority;
4. Qualified Part-Time Meter Readers based on total hours worked divided by 2080;
5. Other qualified part-time employees within the Company based on total hours worked divided by 2080;
6. Qualified Transitional Part-Time Meter Readers (i.e., Part-Time Meter Readers hired on or after the April 8, 2010 date of the CPUC's AMI decision) based on total hours worked divided by 2080; and
7. External hires.

Employees are not entitled to moving expenses to work on, or while working on, the Advanced Meter Project.

Barring unforeseen circumstances, impacted meter reading employees and the Union will be given 60 days' notice before Advanced Meter Project deployment work (meter and module installation) is expected to begin in a particular meter reading district. Should unforeseen circumstances prevent the Company from providing the full 60 days' notice (i.e., 60 days' notification of deployment occurring at that particular district), Part-Time Meter Readers (excluding Transitional Part-Time Meter Readers) at that district who are released from the Company within less than 30 days from the time the district deployment notification is provided will be paid one week's wages (20 hours) at the time of termination (provided sufficient funding remains from the \$1.3 million retention/re-training funding received in the CPUC's AMI decision).

The Advanced Meter Project Positions will not be included in CBA Appendix B since the terms of this Letter Agreement shall apply.

- b. **Wages** - Hourly wages for all Advanced Meter Project Positions (i.e., Advanced Meter Project Field Representative and Advanced Meter Project Office Representative) will be \$18.02/hour. In the event the Company requires bi-lingual qualifications to be met for an Advanced Meter Project Position, a bi-lingual premium of \$0.50/hour will be paid.

The \$18.02/hour wage for the Advanced Meter Project Positions (not the bi-lingual premium) will escalate by 2.5% per year beginning January 1, 2012 (through the Advanced Meter deployment period). Wages and the bi-lingual premium for Advanced Meter Project Positions will not be subject to future collective bargaining nor will any of the Advance Meter Project Positions be subject to PAQs for the duration of the Advanced Meter Project.

- c. **Performance Standards** - Employees in Advanced Meter Project Field Representative positions must meet the following performance standards:

- **Safety** - Employees must consistently work in a safe manner;
- **Quality** - Employees must work in a professional manner, with fewer than three work orders with errors per 30 days worked;
- **Productivity*** - Employees must maintain average daily productivity rates of at least the following "Minimum Productivity Required" levels:

8-Hour Shifts**		10-Hour Shifts**	
<i>Expected Productivity</i>	<i>Minimum Productivity Required</i>	<i>Expected Productivity</i>	<i>Minimum Productivity Required</i>
All Districts excluding those noted below: 40.0 module installations 11.5 above-ground meter changes 5.2 curb vault meter changes Bakersfield, Beaumont and Rim Forest: 32-34 module installations Beaumont, Bakersfield, Lompoc, Mojave, Ramona & Visalia: 9-10 above-ground meter changes Beaumont, Blythe, Bakersfield, Corona, El Centro, Fontana, Hanford, Lancaster, Mojave, Murietta, Rim Forest, Riverside, Valencia, Visalia and Yucca Valley: N/A curb vault meter changes	All Districts excluding those noted below: 35.0 module installations 11.0 above-ground meter changes 4.5 curb vault meter changes Bakersfield, Beaumont and Rim Forest: 30.0 module installations Beaumont, Bakersfield, Lompoc, Mojave, Ramona & Visalia: 9 above-ground meter changes Beaumont, Blythe, Bakersfield, Corona, El Centro, Fontana, Hanford, Lancaster, Mojave, Murietta, Rim Forest, Riverside, Valencia, Visalia and Yucca Valley: N/A curb vault meter changes	All Districts excluding those noted below: 50.0 module installations 14.4 above-ground meter changes 6.5 curb vault meter changes Bakersfield, Beaumont and Rim Forest: 40-43 module installations Beaumont, Bakersfield, Lompoc, Mojave, Ramona & Visalia: 11-13 above-ground meter changes Beaumont, Blythe, Bakersfield, Corona, El Centro, Fontana, Hanford, Lancaster, Mojave, Murietta, Rim Forest, Riverside, Valencia, Visalia and Yucca Valley: N/A curb vault meter changes	All Districts excluding those noted below: 44.0 module installations 14.0 above-ground meter changes 6.0 curb vault meter changes Bakersfield, Beaumont and Rim Forest: 38.0 module installations Beaumont, Bakersfield, Lompoc, Mojave, Ramona & Visalia: 11.3 above-ground meter changes Beaumont, Blythe, Bakersfield, Corona, El Centro, Fontana, Hanford, Lancaster, Mojave, Murietta, Rim Forest, Riverside, Valencia, Visalia and Yucca Valley: N/A curb vault meter changes
<p>The productivity rate for each of these three types of work will be calculated each month based on the units of error-free output completed, divided by the number of hours paid (excludes paid time off work such as personal business time, sick time, jury duty, vacation and holidays). Employees will be expected to achieve the productivity standards after 90 days in the position.</p> <p>When there are months where Advanced Meter Project Field Representatives work both 8-hour shifts five days a week and 10-hour shifts four days a week, the productivity standards will be pro-rated based on the number of hours worked on each type of shift.</p> <p>Management shall use discretion in determining if extenuating circumstances warrant excluding particular work orders and associated time from the productivity measurement.</p>			

* Excludes the first three months of the project and the first month of operation at a deployment site.
 ** Excludes unpaid meal periods.

- **Customer Satisfaction** - Employees must perform their work in a manner that results in high customer satisfaction. Employees must not receive more than three valid customer complaints in a 90-day period regarding workmanship or customer interaction. Examples of complaints that would not be counted include complaints about automated metering or complaints about a latch being broken on a gate; and
- **Attendance** - Employees must be available to perform scheduled work. Existing attendance policies will apply.

Employees with sub-standard performance in any of the above areas will receive one written warning, in-field coaching and 30 days to correct any deficiencies before being subject to termination. The Company will provide a copy of the written warning to the president of the Local union of which the employee is a member within two business days (notification may be via e-mail to the most recent e-mail address provided to the Company).

It is expressly understood and agreed that adherence to the performance standards (including but not limited to the minimum productivity standards) set forth in this Letter Agreement is essential to the economic viability of the Advanced Meter Project and that the Company has the right to enforce the performance standards in good faith. In any arbitration challenging the Company's decision to use a contractor because performance standards have not been met, or to discipline or discharge an employee for failure to meet performance standards, the Company's decision shall be upheld unless the Union proves by clear and convincing evidence that the Company acted in bad faith or arbitrarily and capriciously.

- d. **Performance Bonus** - Advanced Meter Project Field Representatives in an Advanced Meter deployment work group that exceeds each of the following average daily productivity rates, in conjunction with meeting the other four performance standards (safety, quality, customer satisfaction and attendance), on a monthly basis, will qualify for a performance bonus. An Advanced Meter deployment work group consists of Advanced Meter Project Field Representatives who are assigned to a particular Advanced Meter deployment site.

8-Hour Shifts*	10-Hour Shifts*
All Districts excluding those noted below: 48.0 module installations 14.0 above-ground meter changes 6.2 curb vault meter changes Beaumont, Rim Forest and Mojave: 40.0 module installations Beaumont, Bakersfield, Lompoc, Mojave, Ramona & Visalia: 11.5 above-ground meter changes Beaumont, Blythe, Bakersfield, Corona, El Centro, Fontana, Hanford, Lancaster, Murietta, Mojave, Rim Forest, Riverside, Valencia, Visalia and Yucca Valley: N/A curb vault meter changes	All Districts excluding those noted below: 60.0 module installations 17.5 above-ground meter changes 7.8 curb vault meter changes Beaumont, Rim Forest and Mojave: 50.0 module installations Beaumont, Bakersfield, Lompoc, Mojave, Ramona & Visalia: 14.4 above-ground meter changes Beaumont, Blythe, Bakersfield, Corona, El Centro, Fontana, Hanford, Lancaster, Murietta, Mojave, Rim Forest, Riverside, Valencia, Visalia and Yucca Valley: N/A curb vault meter changes
<p>The productivity rate for each of these three types of work will be calculated each month based on the units of error-free output completed, divided by the number of hours paid (excludes paid time off work, i.e., personal business time, sick time, jury duty, vacation and holidays). Management shall use discretion in determining if extenuating circumstances warrant excluding particular work orders and associated time from the productivity measurement</p> <p>When there are months where Advanced Meter Project Field Representatives work both 8-hour shifts five days a week and 10-hour shifts four days a week, the productivity standards will be pro-rated based on the number of hours worked on each type of shift.</p> <p>Employees will not participate in the productivity performance bonus plan during their first 90 days in the Advanced Meter Project Field Representative Position. Their productivity will not be included in the deployment site average for incentive calculation purposes.</p> <p>Employees must be on the Advanced Meter Project payroll (actively working) at the time the productivity bonus is paid to receive the bonus.</p> <p>*Excludes unpaid meal periods</p>	

The amount of the performance bonus will be \$1.80 per hour worked on the Advanced Meter Project during the month in which the above standards were met or exceeded (up to approximately \$300 per month before taxes). The performance bonus will be paid in the month following the month in which the standards were met or exceeded.

- e. **Workforce Flexibility** - The Company will determine the Advanced Meter Project schedule and may make adjustments to the project schedule as needed. The Company will assign individual shifts, schedules and work days for all Advanced Meter Project Positions. At the Company's discretion, work week schedules may include five 8-hour-days or four 10-hour-days (an Alternative Workweek Schedule without overtime payment), excluding unpaid meal periods. The Company may change employee shifts and schedules to ensure Advanced Meter deployment is efficient and effective. Employees working on the Advanced Meter Project may be scheduled to work Saturdays and/or Sundays as part of their regular schedule, without becoming eligible for overtime compensation unless state or federal law requires otherwise. The Company will not schedule employees to work more than two consecutive Sundays unless the employee volunteers.

While 40-hour work weeks are anticipated in most cases, 40-hour work weeks are not guaranteed. If, for any reason over the course of the Advanced Meter Project (excluding disciplinary layoffs), the Company does not schedule an Advanced Meter Project employee to work, or sends an employee home early, he/she will be paid for no more than a total of 24 hours of such non-worked time over the course of the Advanced Meter Project.

The Company may assign any employee working on the Advanced Meter Project to perform duties of any job classification within the skill, knowledge level and physical ability of said employee, for the purpose of balancing the workload and utilizing the workforce efficiently. For example, should the need arise, employees in Advanced Meter Project Positions may be temporarily placed in Meter Reading positions, another Advanced Meter Project Position or be given other work to perform. With the exception of Meter Reader-R work, employees in Advanced Meter Project positions will be temporarily upgraded to the appropriate classification pay rate when assigned to perform non-Advanced Meter Project work. Employees in Advanced Meter Project Positions may be assigned to perform non-Advanced Meter Project work only when there is a shortage of Advanced Meter Project work at the employee's Advanced Meter Project deployment site. The Company will not be precluded from giving Advanced Meter Project work to other regular employees.

- f. **Work Locations** - The Company will determine the locations, bases and/or facilities for the Advanced Meter Project workforce. Advanced Meter Project personnel may be required to work from minimal "construction type" facilities. For example, work locations may include modular offices, limited changing facilities, no shower facilities, unpaved/gravel lots, port-a-potties, open-air meetings, no ice machines, etc. The aforementioned examples are not inclusive and may vary from location to location.

Employees working on the Advanced Meter Project may be required to park off-site or "stack park" their personal vehicles and leave their keys with the Advanced Meter staff due to logistical constraints.

Advanced Meter Project deployment sites (work locations) will change. Employees moving with the location change will be considered assigned to the new work location as their primary work location and not receive additional time, mileage or other compensation.

- g. **Safety Committees** - The Union and the Company will work together to foster safe behaviors and an incident-free work environment. The Advanced Meter Project team will establish safety committees at Advanced Meter deployment locations. The safety committee will include at least two represented employees who will be rotated on and off the committee every six months based on seniority within the Advanced Meter Project team at that deployment site. Employees will not serve a second term on the safety committee until all employees at that deployment site have had an opportunity to serve on the committee. A representative of the Advanced Meter Project management team will also serve on the safety committee and will determine the total number of employees on the safety committee.

- h. **Vehicles and Insurance** - Possession of a valid California Driver's License is a condition of employment on the Advanced Meter Project. Employees must notify their supervisor immediately upon suspension or loss of their license. Employees working in Advanced Meter Project Field Representative positions will not be required to use their personal vehicles for Advanced Meter Project field work. Company vehicles (while not necessarily individually-assigned vehicles) will be available for this work. Use of personal vehicles may occasionally be required to attend training, meetings or similar activities. Employees in Advanced Meter Project Positions must maintain motor vehicle insurance as required by state law.

- i. **Uniforms and Footwear** - Advanced Meter Project Field Representatives will be provided Company uniforms suitable for the work they are performing. Employees are responsible for laundering and maintaining their uniforms in a manner that presents a positive Company image. Advanced Meter Project Field Representatives will also receive the annual footwear allowance.

- j. **Shortage of Work Layoffs** - Employees in Advanced Meter Project Positions will have their employment terminated when the Company deems they are no longer needed for the Advanced Meter Project. Section 7.1 of the CBA will not apply, and employees in Advanced Meter Project Positions will not be eligible for termination wages except as follows:

- The parties acknowledge the CPUC's AMI decision provides \$1.3 million in funding for employee retention and re-training. This funding will be used for the following three purposes: (1) As a retention incentive, employees on the Advanced Meter Project who are not offered another Advanced Meter Project Position within 60 miles of their current project assignment and are terminated due to a shortage of work will receive termination wages equal to one week of pay for each year of regular (not part-time) service up to a maximum of 24 weeks. Approximately \$700,000 is estimated to be used for this purpose. (2) Any payments resulting from the Company's failure to meet notification requirements set forth in Section 2a of this Letter Agreement. (3) Approximately \$600,000 is expected to be used for the already-agreed-upon Educational Assistance Program enhancements and expanded participation in the Company's Educational Assistance Program resulting from the Advanced Meter Project. Once the \$1.3 million in retention and re-training funding is exhausted, the above three provisions will cease.

In lieu of termination and the aforementioned retention incentive noted in Item j (1) above, on a one-time basis, an employee in an Advanced Meter Project Position who is otherwise going to be terminated (due to a shortage of work) or be offered an Advanced Meter Project position that is more than 60 miles away will be able to bump the Transitional Part-Time Meter Reader with the lowest hours of service at a location of their choice. The employee's status, pay and benefits will be adjusted to that of a Transitional Part-Time Meter Reader. An Advanced Meter Project employee who bumps a Transitional Part-Time Meter Reader will be exempt from the one-year bidding restriction so that he/she can bid to other available positions within the Company. The Company may or may not release a Transitional Part-Time Meter Reader who has been bumped.

- k. **Use of Contractors** Nothing contained herein shall preclude the Company from using contractors for management functions, e.g., to manage, or provide consulting or training services with respect to the deployment of meters, modules or any other Advanced Meter Project equipment. It is also understood that the Company will use contractors for other aspects of the Advanced Meter Project not covered by this Letter Agreement, e.g., Advanced Meter Project network installation and optimization, logistics and warehousing, etc. Temporary contract workers may only be used to cover for Advanced Meter Project Office Representatives on a limited basis (i.e., to cover phones during peak periods, absences, and lunch and break periods).

The Company will not use contractors for Advanced Meter Project Field Representative work described herein as being in-sourced unless Advanced Meter Project goals and timelines are not being met by employees. The Company may choose to use contractors (including individual contract workers) for Advanced Meter Project Field Representative work in the following situations:

- i. If, at an Advanced Meter deployment site, performance standards (including the minimum productivity standards) are not met on a site level basis for a total of three months, contractors may be used to complete the Advanced Meter Project work to have been performed by employees at this deployment site. The Union will be notified within two business days after it is determined monthly performance standards have not been met at a deployment site. Employees who have consistently met the performance standards will be offered the opportunity to continue working on the Advanced Meter Project at a deployment site determined by the Company or as a Part-time Meter Reader. If the available Advanced Meter Project work offered by the Company is at a location further than 60 miles from the employee's current work location, Section 2j of this Letter Agreement will apply;

- ii. If multiple deployment sites within a Deployment Area have each had three or more months in which performance standards have not been met, contractors may be used to complete part or all of the remaining project work within that Deployment Area (Attachment 3 defines each of the four Deployment Areas);
- iii. Qualified employees are not available to do the work in a particular geographic area; or
- iv. The Union and/or employees have engaged in external opposition or campaigns against the Company's Advanced Meter implementation.

Expedited Arbitration for Contracting Decisions Under This Letter Agreement

The Union may challenge the Company's use of contractors for Advanced Meter Project Field Representative work when the use of contractors arises for reasons set forth in Section 2k (i-iv). The parties agree that disputes arising under Section 2k (i-iv) regarding use of contractors for Advanced Meter Project Field Representative work will be resolved in accordance with this expedited arbitration provision. The use of individual contract workers under 2k (i-iv) or the use of contractors under Section 2k (iii) are both subject to this expedited procedure but the Company does not need to wait 30 days to use contractors. All other disputes arising under this Letter Agreement will be resolved pursuant to Article VI of the parties' CBA. The parties will work to resolve disputes arising from Section 2 of this Letter Agreement as expeditiously as possible, which may include bumping other cases.

The Company must give the Union notice via e-mail (on the sixth, seventh or eighth business day following the end of a month) of its intent to use contractors (not individual contract workers) for Advanced Meter Project Field Representative work at a particular deployment site due to performance standards not being met. Such e-mail notifications will be sent to the most current e-mail addresses provided by the Union for the eight Local presidents. A courtesy copy of the notification will also be couriered to the UWUA address contained in the CBA. From the time the Company puts the Union on written notice (via e-mail) of its intent to use contractors due to performance standards not being met, the Union will have two business days to demand arbitration. Upon notification to the Union of the Company's intent to use contractors due to performance standards not being met, the Company must wait at least 30 days before using contractors to perform Advanced Meter Project Field Representative work at the particular deployment site for which notification was provided.

To facilitate prompt arbitration decisions, the following expedited arbitration provisions for such challenges shall apply:

1. The parties have selected the following three arbitrators from their panels to hear disputes under this provision: Collins, Horowitz, and Solomon.
2. The parties agree to schedule two days of arbitration hearings each month, with one of the above three arbitrators, on two consecutive, mutually scheduled days that fall no sooner than the eleventh business day of the month, and no later than the fourteenth business day of the month, in which notification of intended contractor use is provided, unless mutually agreed otherwise, for a period of twelve months to hear cases under this provision. At the conclusion of each month the parties agree to schedule two additional days of hearings in order to keep the agreed two days scheduled for the 12-month advance period. Other arbitration cases will be scheduled on these dates (to the extent there are cases to be heard and there is mutual agreement on the arbitrator), in order to make use of the reserved dates. However, if the Union brings forth Advanced Meter Project cases arising from the

Company's contracting notifications, the parties will bump the other cases scheduled on the reserved dates so the Advanced Meter Project contracting case can be heard in a timely manner.

3. The parties will use the next available scheduled arbitration date with one of the aforementioned arbitrators following a Union demand to arbitrate a contracting decision made pursuant to Section 2k (i-iv) of this Letter Agreement.
 4. Each party will have no more than six hours to present its case and all such cases must conclude within two days.
 5. The parties will obtain and mutually share the cost of an expedited transcript to be delivered in two business days or less from the date the hearing concludes.
 6. The parties may submit post-hearing briefs; such post-hearing briefs must be submitted within seven days of the receipt of the hearing transcript.
 7. The arbitrator will be expected to issue a written decision within 30 days after the time the Company provides written notice to the Union of its intent to use contractors due to performance standards not being met. If the arbitrator does not render a written decision within 30 days of the Company's notification to the Union of its intent to use contractors, the Company may proceed to use contractors.
 8. The sole issue for the arbitrator to decide under this expedited arbitration provision is whether the Union has proven that the Company will be in violation of this Letter Agreement by contracting out pursuant to Section 2k (i-iv) and the minimum performance standards described in Section 2c ("Performance Standards").
 9. The arbitrator is free to determine any reasonable remedy should a violation of this Letter Agreement be found.
1. **Other** - Unless otherwise specified, the Company will have the flexibility and latitude to implement processes, procedures and policies that will enable its Advanced Meter Project to be effectively and cost-efficiently implemented throughout its service territory. The Company may suspend, in whole or in part, the deployment of meters or modules and otherwise modify the Advanced Meter Project deployment schedule for any reason without waiving or relinquishing any of its rights hereunder.

No terms pertaining to the Advanced Meter Project will be subject to future collective bargaining unless the parties mutually agree otherwise.

The Company will provide to the Union copies of the semi-annual Advanced Meter Project status reports that are submitted to the CPUC. At the Union's request, the Company will meet within fifteen days to discuss the contents of this report.

3. Post Advanced Meter Deployment Work

Once Advanced Meter deployment is completed in an operating district, employees in other regular job classifications may be assigned to perform corrosion inspections and module maintenance work. New work that may emerge after Advanced Meter deployment is complete and the determination of who will perform that work have not been made; however, CBA provisions in effect at the time will apply.

4. ETR-A Position

- a. Effective within 30 days of the signing of this Letter Agreement, the Company will temporarily reinstate the ETR-A position. The ETR-A position will be reinstated through the end of the Advanced Meter Project, as determined by the Company. Once the ETR-A program is terminated, active employees in an ETR-A position at the time will be afforded the opportunity to continue to advance to ETR.
- b. Employees performing satisfactorily in Field Technician positions as of the date of this Letter Agreement will be offered a one-time opportunity to promote to ETR at the work location/district to which they are currently assigned. Field Technicians who accept the offer within five days after it is offered will be provided one opportunity to successfully complete and pass ETR training. Upon successful completion of this training, these employees will be restricted from bidding for twelve months. Field Technicians who accept the one-time offer to promote to ETR but who fail ETR training will return to their Field Technician positions.
- c. Employees performing satisfactorily in Field Service Assistant positions will have higher bidding priority than Eligible Meter Reading Employees and Part-Time Meter Readers for ETR-A positions. (Eligible Meter Reading Employees are defined in Attachment 1.)
- d. Employees working in ETR-A positions must successfully progress to ETR within 24 months or they will return to their previous classification, if an available position exists. If no such position exists, the employee will be released unless they have bid into another position prior to the time their employment with the Company is terminated.
- e. With the exception of promotional opportunities at their current work location, an employee who fills an ETR-A position or becomes an ETR from an ETR-A position will not be eligible to move to another position or location for five years upon successfully completing initial ETR-A training.
- f. ETR-A positions will not be posted. If there are no qualified bidders for the ETR position, referrals for the ETR-A position will be made from the ETR bids.
- g. Employees in the ETR-A position will be paid the same as Field Technicians until they progress to the ETR position. An employee will be paid as an ETR after he/she successfully completes and passes ETR training and begins working in the field.
- h. During the time period in which the ETR-A position is reinstated, the Company may only hire ETRs externally for work locations that fall below the minimum ETR staffing levels required for off-hour and weekend coverage. That is, the Company may hire ETRs externally off the street if ETR staffing falls to a level that negatively impacts employees (e.g., remaining ETRs are having to work back-to-back weekends, excessive extended day overtime or continually being stuck with off-hour shifts). Obvious actions to minimize ETR staffing levels for the purpose of creating the ability to hire externally shall void this paragraph for the particular work location.

5. Direct Assistance Program (DAP)

- a. **New DAP Positions** - The Company will create up to 100 regular Customer Assistance Representative (CAR) positions, as well as up to 25 regular Administrative Clerk and 14 regular Data Entry Operator positions, contingent on CPUC approval of the Company's 2011 DAP regulatory filing wherein the Company will include these positions and request approval to shift associated non-refundable costs to refundable status. These will be bargaining unit positions and the Union will support the Company in

its efforts to obtain the above regulatory approval.

These positions will perform outreach and assessment work for the Company's DAP program. Assuming CPUC approval of the Company's filing, it is anticipated that these new positions will begin to be created as Part-Time Meter Readers are displaced as a result of the Advanced Meter Project; however, positions may be created sooner. DAP positions will be created at the Company's discretion based on DAP goals, needs and results. The location of the new positions will also be at the Company's discretion.

Employees must meet the minimum qualifications the Company has established for these positions (see Attachment 4) and successfully complete a job interview where required. Employees must also successfully complete and pass any Company-required training.

- b. **Wages** - The hourly wage for the DAP Customer Assistance Representative position will be \$18.02/hour. The new Administrative Clerk position will be at Pay Grade 3 (Administrative Clerk-3). The hourly wage for the DAP Data Entry Operator will be \$12.37/hour. The CBA bi-lingual premium will be paid for positions designated by the Company as bi-lingual. The new DAP Customer Assistance Representative and Data Entry Operator positions will not be subject to PAQs for the duration of the Advanced Meter Project. Any future PAQ that results in an increased funding requirement would need to be approved in the applicable DAP regulatory proceeding prior to being implemented.
- c. **Performance Standards** - Employees in DAP Customer Assistance Representative positions must meet the following performance standards:
- **Safety** - Employees must consistently work in a safe manner;
 - **Quality** - Enrollment form information must be complete, accurate and legible (95% of forms submitted must be error-free);
 - **Productivity** - Employees must complete an average of at least 30 enrollments per week over the course of a month;
 - **Customer Satisfaction** - Employees must perform their work in a manner that results in high customer satisfaction. Employees must not receive more than three valid customer complaints within a 90-day period regarding workmanship or customer interaction. An example of a complaint that would not be counted would be a customer complaint originating because they were deemed ineligible for the program; and
 - **Attendance** - Employees must be available to perform scheduled work and not exceed five missed appointments in a twelve-month period.

Employees with sub-standard performance in any of the above areas will receive one written warning, coaching and be given 30 days to correct any deficiencies before being subject to termination.

- d. **Other** - The Company will establish shifts and schedules. Work hours will vary between 8:00 a.m. and 8:00 p.m. (end time will be dusk or 8:00 p.m. in the summer; core canvass hours will be 3:00 p.m. to 8:00 p.m.). Saturday will be a regular work day, with no overtime unless required by law or contract.

DAP Customer Assistance Representatives will be provided Company uniforms suitable for the work they are performing. Employees are responsible for laundering and maintaining their uniforms in a manner that presents a positive Company image.

DAP Customer Assistance Representatives will be required to use their personal vehicles to perform their jobs. Reimbursable mileage will be paid in accordance with Company policy.

6. Other

- a. Beginning on the date of the CPUC's AMI decision (April 8, 2010), when temporary Part-Time Meter Reader positions are filled, they will be filled as "Meter Reader - Part-Time - Transitional" positions. Meter Reader - Part-Time - Transitional employees will have the same CBA rights as all other part-time temporary employees, based on the CBA in effect at the time. At the time of hire, the Company will inform temporary Part-Time Meter Readers that they are being employed on a temporary, transitional basis due to AMI implementation.
- b. Meter Reader - Part-Time - Transitional employees may bid for posted full-time positions only after bids by current regular and part-time temporary employees have been exhausted, provided they meet minimum qualifications.
- c. When full-time Meter Reading Clerk, Meter Reading Technician and Meter Reader-R positions become vacant and are filled, they will be filled through the normal bid process. Given the transition to advanced metering and the desire to minimize adverse workforce impacts, the Company will be under no obligation to maintain a minimum number of employees, including but not limited to Full- or Part-Time Meter Reader positions. However, the Company will fill vacant Meter Reader-R positions (up to a maximum of 100 Meter Reader-R positions) in a manner that is proportional to the number of Part-Time and Transitional Part-Time Meter Reader positions (i.e., one Meter Reader-R for every nine Part-Time/Transitional Meter Readers).
- d. Space permitting, Part-Time Meter Readers will be allowed to participate in the special test sessions noted in Attachment 1 for Eligible Meter Reading Employees. Time off work to participate in test sessions will be in accordance with the CBA in effect at the time.
- e. Part-Time Meter Readers with satisfactory performance who remain with the Company until released due to Advanced Meter implementation, and who leave the Company in good standing, will have rehire priority before the Company hires off the street for available entry-level positions for which they are qualified for a period of three years following termination of employment. In order to be given rehire priority over other external candidates, the former employee must apply for open positions on-line and check the box on the employment application indicating they were a former employee. Failure to accept a job offer within 60 miles of the employee's former work location will terminate the rehire priority afforded to said employee.
- f. Effective upon execution of this Letter Agreement, when a position is going to be filled externally, internal candidates (including part-time employees) will be selected based on seniority (or, in the case of part-time employees, based on total hours worked divided by 2080) ahead of external candidates (candidates hired off the street) provided they meet the minimum qualifications posted externally. Reviewing external job postings for such positions, and submitting a letter of interest (with the job requisition number noted by the employee at the top of the letter of interest) and resume to HR Staffing in a timely manner after the position is posted externally, are the responsibility of the employee. The letter of interest will only be applicable to the job requisition for which it was designated.

- g. Effective March 1, 2011, all time spent in temporary assignments in the previous five years will count toward prerequisite experience when bidding for jobs posted internally. Such time will be tracked cumulatively during the previous five-year period. For example, an FSA who has spent sufficient cumulative time (at least one year in the last five years) in relief assignments as an FT may be deemed to have met the prerequisite experience requirement for bidding to the ETR classification. The experience of external candidates considered in the hiring process must also be within the prior five years.

Sara Franke

Sara Franke
For the Company
Date: November 1, 2010

Arturo Frias

Arturo Frias
For the Union
Date: November 1, 2010

Priority Placement Program for Full-Time Meter Reading Employees

Within sixty days of this agreement, the Company will establish a Priority Placement Program (PPP) for Eligible Meter Reading Employees. Eligible Meter Reading Employees (defined as current, regular, full-time employees in Meter Reader-R, Meter Reading Technician and Meter Reading Clerk positions as of the signing of this Letter Agreement) will be eligible to participate in the PPP provided they meet all the criteria set forth below. While not a job guarantee, the PPP is intended to assist these employees in moving to other regular positions within the Company and consists of the following elements:

- a. Eligible Meter Reading Employees must maintain satisfactory job performance to be eligible for the PPP. If an employee is rated Less Than Satisfactory (LTS), current CBA provisions will apply and he/she will not be eligible for the PPP. For purposes of the PPP only, an LTS employee whose performance is satisfactory for a 12-month period will become eligible for the PPP. When an Eligible Meter Reading Employee becomes ineligible for the PPP they will not have an opportunity to regain their eligibility, other than the LTS provision described herein.
- b. The PPP applies only to Eligible Meter Reading Employees as defined above.
- c. Eligible Meter Reading Employees must actively and successfully pre-qualify and place bids for posted jobs (outside of Meter Reading and the Advanced Meter Project) to remain eligible for the PPP. Eligible Meter Reading Employees may also choose to opt out of the PPP. Once an Eligible Meter Reading Employee opts out of the PPP, he/she will no longer be eligible to participate in the PPP.
- d. The Company will conduct special pre-qualification test sessions for Meter Reading employees (for jobs within the Company) at the following sites: Energy Resource Center in Downey, Chatsworth, Redlands, Palm Desert, Visalia, and Santa Maria. The Company will provide test preparation materials for Eligible Meter Reading Employees participating in the PPP. Restrictions on the time period prior to re-testing will be modified for those Eligible Meter Reading Employees who fail a pre-qualification test so they can re-test up to two more times without having to wait three to six months. After that, test-taking restrictions set forth in the CBA in effect at that time will govern.

Re-Test Restrictions for Eligible Meter Reading Employees will be as follows:

<i>Test Type</i>	<i>Existing Re-Test Restriction</i>	<i>Proposed Re-Test Restriction</i>
<i>Advanced Mechanical</i>	<i>6 months</i>	<i>No restrictions (for up to 2 re-tests)</i>
<i>Mechanical</i>	<i>6 months</i>	<i>No restrictions (for up to 2 re-tests)</i>
<i>Administrative</i>	<i>6 months</i>	<i>No restrictions (for up to 2 re-tests)</i>
<i>Clerical</i>	<i>6 months</i>	<i>No restrictions (for up to 2 re-tests)</i>
<i>Keyboard Skills</i>	<i>3 months</i>	<i>No restrictions (for up to 2 re-tests)</i>
<i>Physical Abilities</i>	<i>3 months</i>	<i>No restrictions (for up to 2 re-tests)</i>
<i>Language Fluency</i>	<i>3 months</i>	<i>No restrictions (for up to 2 re-tests)</i>

In addition, the duration for which tests will be valid for Eligible Meter Reading Employees will be modified as follows:

<i>Test Type</i>	<i>Existing Expiration Time Period</i>	<i>New Expiration Time Period</i>
<i>Advanced Mechanical</i>	<i>5 Years</i>	<i>5 years, or 2 years from the signing of this Letter Agreement, whichever is furthest in the future</i>
<i>Mechanical</i>	<i>5 Years</i>	<i>5 years, or 2 years from the signing of this Letter Agreement, whichever is furthest in the future</i>
<i>Administrative</i>	<i>5 Years</i>	<i>5 years, or 2 years from the signing of this Letter Agreement, whichever is furthest in the future</i>
<i>Clerical</i>	<i>5 Years</i>	<i>5 years, or 2 years from the signing of this Letter Agreement, whichever is furthest in the future</i>
<i>Keyboard Skills</i>	<i>1 Year</i>	<i>2 Years</i>
<i>Physical Abilities</i>	<i>1 Year</i>	<i>1 Year</i>
<i>Language Fluency</i>	<i>1 Year</i>	<i>2 Years</i>

- e. Eligible Meter Reading Employees will have the same priority bidding rights as employees in the path of layoff with the exception of the provision contained in Item 4c of this Letter Agreement regarding FSAs. Open, regular full-time positions that are filled will be posted in POS (E-Bid); placement will be based on seniority, assuming employees meet minimum qualifications.
- f. In order to allow Eligible Meter Reading Employees the opportunity to immediately bid to posted positions outside of Meter Reading for which they have pre-qualified, current bid restrictions will be lifted.
- g. Eligible Meter Reading Employees who bid for posted positions may only turn down two job offers or fail to pass training two times, assuming the employee meets pre-qualification requirement. If an employee exercises his/her 56-day return rights after moving into a job, it will count as one placement opportunity. That is, under the PPP, Eligible Meter Reading Employees will have a maximum of two PPP placement opportunities.
- h. Eligible Meter Reading Employees may decline one job offer (or fail training once) and still have a second opportunity available, as long as they remain actively engaged in the PPP and bidding for posted positions for which they qualify. If an Eligible Meter Reading Employee declines two job offers (or fails training twice), he/she will no longer be eligible to participate in the PPP. When an employee is disqualified for a job, he/she will not be able to bid for the same job for three months.
- i. Eligible Meter Reading Employees must actively engage in, and complete required elements of, the PPP in order to remain eligible for the PPP. Actively engaged means placing at least three job bids every six months (for jobs for which the employee is qualified) assuming job postings exist. If an Eligible Meter Reading Employee is not actively engaged in or completing required

elements of the PPP, the Company will notify the employee and the Union 60 days before losing his/her PPP eligibility to provide an opportunity for corrective action by the employee (assuming job openings exist). Should 60 days elapse without active participation as specified above, the employee's eligibility for the PPP will cease and the employee will be notified by the Company that he/she is no longer eligible for the PPP.

- j. Once in a regular, full-time position outside of Meter Reading, an Eligible Meter Reading Employee will no longer be eligible for the PPP (i.e., the Position Opportunity and Placement Section of the CBA in effect at the time will apply) and will no longer be eligible to bid to any job within Meter Reading.
- k. Eligible Meter Reading Employees who fail to successfully participate in the PPP and want to continue to bid for posted jobs, will have rights under the Position Opportunity and Placement provisions of the CBA in effect at the time.
- l. Eligible Meter Reading Employees are not entitled to any moving expenses.

Prerequisite Qualifications

Advanced Meter Project Field Representative

- Newly hired employees or those moving from non-safety sensitive positions must successfully pass a pre-employment drug screen prior to placement; will participate in the Company's D.O.T. mandated random drug screening program; this is a safety-sensitive position
- Must pass physical and mechanical abilities pre-qualification examinations (capable of lifting and/or carrying objects weighing up to 25 pounds and occasionally lifting objects weighing up to 50 pounds)
- Must pass yellow test battery
- Must possess a general working knowledge of personal computing devices
- Must participate in and pass a pre-qualification interview process
- Must demonstrate strong customer relations skills
- Must be able to satisfactorily work alone and in a team environment
- Must successfully complete advanced meter installation and meter change training
- Must possess and maintain a valid California Driver's License
- Must demonstrate the ability to accurately read meters
- May work shifts and differing schedules, including Saturdays or Sundays, as customer needs and project requirements dictate
- Performs assigned tasks with minimal supervision
- Must have and carry a watch with second-hand indicator or equivalent

Advanced Meter Project Office Representative

- Must take and pass yellow test battery; Knowledge of Typing (30 WPM)
- Must participate in and pass a pre-qualification interview
- Must successfully complete and pass required training
- Must take and pass language fluency exams for positions requiring bi-lingual skills
- Must possess a general working knowledge of personal computing devices and related peripheral equipment
- Must have previous customer contact experience and demonstrate strong customer relations skills
- Must be able to clearly communicate with supervisors, co-workers and internal and external customers
- Must be able to satisfactorily work alone and in a team environment
- Must work shifts and non-traditional schedules, including Saturday and Sunday work, as customer needs and Advanced Meter Project requirements dictate
- Must be able to perform assigned tasks with minimal supervisory input

Advanced Meter Project Deployment Areas

Based upon Meter Reading Districts

Area A

Lompoc
San Luis Obispo
Santa Barbara
Santa Maria
Templeton
Oxnard
Simi Valley
Bakersfield
Hanford
Porterville
Visalia
Canoga
Saticoy
Glendale

Area B

Rim Forest
San Bernardino
Azusa
Industry
Chino
Fontana
Lancaster
Mojave
Valencia
Monterey Park
Pasadena

Area C

Yukon
182nd St
Compton
Downey
Whittier
Santa Monica
Hollywood

Area D

Aliso Viejo
Santa Ana
Anaheim
La Jolla
Corona
Riverside
Blythe
El Centro
Palm Desert
Yucca Valley
Murrieta
Ramona
Garden Grove

Prerequisite Qualifications

**DAP Customer
Assistance Representative**

- Must pass a pre-qualification examination (yellow battery)
- Must participate in and pass a pre-qualification interview
- Must take and pass language fluency exams for positions requiring bi-lingual skills
- Must successfully complete and pass required training
- Must demonstrate strong customer relations skills
- Must possess and maintain a valid California Drivers License
- Must work shifts and non-traditional schedules, including Saturday work, as customer needs and operations dictate
- Must be able to perform assigned tasks with minimal supervisory input

DAP Data Entry Operator

- Must pass a pre-qualification examination (yellow battery); qualified typist (50 WPM)
- Must successfully complete and pass required training