

PACIFIC GAS AND ELECTRIC COMPANY

PGE



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May 1, 1985

Local Union No. 1245
 International Brotherhood of
 Electrical Workers, AFL-CIO
 P. O. Box 4790
 Walnut Creek, California 94596

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

This will cancel and supersede all previous correspondence to you on this subject.

VP & Comptroller's Grievance No. 22-145-80-14, Fact Finding No. 1668-80-241, concerned production standards for Utility Machine Operators in the Company's Receivables Accounting Section. The case was closed without adjustment and referred back to the Local Investigating Committee for preparation of mutual and agreeable standards for performance. A project was initiated to do so involving a Company and Union joint committee.

The committee agreed to retain Dr. David Thompson of Portola Associates to study the physical work environments and work methods and to conduct a time study. Dr. Thompson subsequently obtained the assistance of Mr. Charles Olson. Both Dr. Thompson and Mr. Olson are Registered Professional Industrial Engineers with many years of experience in work measurement and methods engineering. Dr. Thompson submitted to the committee his conclusions and recommendations for production standards and an incentive plan, and the committee then negotiated these items.

The attached is our understanding of the agreement reached on April 25, 1985 regarding production standards and a wage incentive plan for the Utility Machine Operators in the Receivables Accounting Section.

If you are in accord with the foregoing and the attachment and agree thereto, please so indicate in the space provided below and return one executed copy of this letter to Company.

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By *M. B. Bright*
 Manager of Industrial Relations

The Union is in accord with the foregoing and the attachment and agrees thereto as of the date hereof.

LOCAL UNION NO. 1245, INTERNATIONAL
 BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

May 21, 1985

By *Jack McNally*
 Business Manager

RECEIVABLES ACCOUNTING SECTION
Production Standards

I. PRODUCTION STANDARDS

A. Production standards shall be as follows:

Type of Mail	Standard Stubs Per Hour	Standard Stubs Per Day
Regular:	663	4475
Collection Subj.:	512	3456
Multiples (S/2):	657	4435
Key Entry (Mut):	347	2342
Full Pay Agency:	1247	8417
Part Pay Agency:	717	4840

B. To monitor performance, and pay accordingly all types of mail will be measured at the Regular mail rate according to the following formula (where N is the type of mail and "/" means divided by): (Regular Mail Rate per hr/Mail N Rate per hr) x # Stubs Mail N = Performance in Regular Stubs.

Example:

Regular Rate (663)/Full Pay Agency (1247) = .5317
.5317 x 1531 Full Pay Agency Stubs = 814 Regular Stubs.

Daily Regular Stubs is calculated by adding the Regular Stubs for each type of mail on each day. This figure shall then be compared to the standard Daily Regular Stubs to monitor performance and compute incentive pay.

Example:

Full Pay Agency Stubs: 1531

$663/1247 = .5317$
 $.5317 \times 1531 = 814$ Regular Stubs

Key Entry Stubs: 1267

$663/347 = 1.9107$
 $1.9107 \times 1267 = 2421$ Regular Stubs

Regular Stubs: 2109

$663/663 = 1.0000$
 $1.0000 \times 2109 = 2109$ Regular Stubs

Daily Regular Stubs Total:

$$814 + 2421 + 2109 = 5344$$

This figure is then compared to the Standard Regular Rate to monitor performance.

$$\frac{\text{Daily Regular Stubs (5344)}}{\text{\# of hours worked (6.75)}} \\ \text{Regular Rate (663)} \\ = \text{Performance as a percentage of Standard (119.4\%)}$$

Daily Regular Stubs (5344) - Standard Daily Regular Rate (4475) = Number of stubs per day above Standard (869) in a full 6.75 hour day.

C. Other data may be calculated as follows:

An hourly rate is calculated by dividing the Regular Stubs by the number of hours worked.

Example:

$$814 \text{ Regular Stubs} / 1.2 \text{ hrs.} = 678 \text{ Regular Stubs per hr.}$$

To convert performance ratings to a daily rate, the average hourly rate is multiplied by the number of actual work hours in the day, 6.75. This formula applied to the example above is as follows:

$$\text{Hourly Performance Rating (678)} \times \text{Work Hours (6.75)} \\ = 4577 \text{ Stubs per day.}$$

D. Standards shall be subject to revision depending on changes in technology, equipment, or work methods. Such revisions in standards shall be negotiated with the Union upon such change. Should either party desire, a mutually agreed upon consultant shall be utilized.

II. IMPLEMENTATION OF STANDARD

- A. The Standard shall be implemented on June 2, 1985. All employees shall be eligible for bonuses upon implementation.
- B. Document operator incumbents who have operated the machines more than 50% of total work time during the three months immediately preceding the effective date of this agreement shall have priority, in order of seniority, over other Utility Machine Operators in the Receivables Accounting Section to retain their current assignments.

Thereafter, Company shall institute a job rotation system based on seniority and voluntary sign-up.

- C. Employees shall have six months in which to achieve 95% of the Standard during which time they shall not be disciplined for not meeting the Standard. Employees not attaining 70% of the Standard after 15 working days shall receive additional training.
- D. Any Receivables Accounting employees who are machine operator incumbents and have attained regular status as of the implementation of this agreement shall not be disciplined or terminated for not meeting 95% of the standard, provided they maintain at least 90% of the standard. Such employees shall be subject to the provisions of Section III below at a threshold of 90% rather than 95% of Standard.

III. ADMINISTRATION OF STANDARD

- A. Performance shall be reported to employees on a daily basis in Regular Stubs.
- B. Records for calculating incentive pay shall be maintained on a weekly basis. Incentive pay shall be included in the employees' regular biweekly paycheck.
- C. No performance based discipline shall be initiated against employees who achieve at least 95% of the Standard calculated in Regular Weighted Stubs.
- D. An employee who falls below 95% of the Standard for one pay period, and who has attained at least 95% of the Standard for the past five months shall be given a two (2) week grace period, during which time no performance based discipline shall be initiated with such employee. All employees shall be eligible for grace periods six months after implementation of the standard.
- E. Except as provided in Section III, D. above an employee who drops below 95% of Standard in any pay period shall be subject to remedial action, which may include progressive discipline.
- F. Transferees to the Accounts Receivables Section shall have five (5) working days to meet at least 80% of the Standard. Upon successful completion of the 5 workday training period, a transferee shall be awarded the vacancy effective the following Monday. Should a transferee not attain 80% of the standard during the 5 day training period, or at the transferee's request, he or she shall be returned to his or her former classification. Transferees awarded vacancies shall have an additional three months to meet 95% of the Standard. During this three month period transferees shall be eligible for incentive pay.

- G. The provisions in III, A - E above apply to incumbent employees identified in Section II, D above, except that in all cases they shall be required to maintain 90% of the standard, rather than 95%.

IV. BONUS ACHIEVEMENT PROGRAM (BAP)

Employees' pay shall be based on their performance and determined using the current wage progression as listed in Exhibit F of the Labor Agreement. Should an employee's weekly performance exceed the standard, such employee's pay shall increase in accordance with the following formula:

$$\frac{\# \text{ Regular Stubs worked in weekly period}}{\# \text{ hours worked in weekly period}} - 1$$

Regular Standard

(Above quantity) x # of hours worked in weekly period x straight-time hourly rate = Bonus.

$$\frac{(\# \text{ Regular Stubs worked in weekly period} = \# \text{ of hours worked in weekly period} \text{ Hourly Regular Stubs worked in weekly period})}{\text{Regular Standard}} - 1$$

Example for Utility Machine Operator at 30 month step:

Utility Machine Operator Base Rate: \$433.35

Weekly period in which Standard is met:

$$\$433.35/40 = \$10.8338 \text{ (hourly pay rate)}$$

$$\frac{20222}{30.5} - 1 \times 30.5 \times \$10.8338 = \$00.00$$

663

Weekly Bonus = \$00.00

Biweekly pay (2 week pay period; production remains the same) = \$866.70

Weekly period in which Standard is exceeded:

$$\frac{23241}{30.5} - 1 \times 30.5 \times \$10.8338 = \$49.33$$

663

Weekly Bonus = \$49.33

Biweekly pay (2 week pay period; production remains the same) = \$965.36

V. OVERTIME

- A. Overtime shall be administered in accordance with Title 12 of the Labor Agreement. Incentive Overtime will be calculated at the appropriate rate.

VI. HOURS

- A. Hours shall be scheduled in accordance with the Comptroller Department Flextime Guidelines and Title 10 of the Labor Agreement.

VII. BENEFITS

- A. All benefits shall be calculated in accordance with appropriate agreements.