PACIFIC GAS AND ELECTRIC COMPANY

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January 7, 1987

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Pursuant to Subsection 202.16(b) of the Physical Agreement, Company proposes the following amendments to the Agreement in order to provide a consistent application for 12-hour-day shift schedules that Company and Union may subsequently adopt:

1. INITIAL ESTABLISHMENT OF SHIFTS

The shift schedules for specific locations shall be established through individual letters of agreement. Such schedules may or may not provide for relief shift employees. The number of employees working at a location shall not be reduced because of the 12-hour shift agreement unless otherwise agreed to by the Union.

2. WAGES

Each individual agreement shall establish adjusted wage rates that provide the same compensation during any cycle equivalent to the current compensation for 40-hour workweeks for the same number of weeks. Overtime wage rates will be discussed in each individual agreement.

OVERTIME

- (a) General: Overtime will be paid in accordance with the provisions of Sections 208.1 and 208.2, except that for the purposes of this agreement item (b) under Section 208.1 shall be revised as follows: (b) time worked in excess of regular scheduled hours on a workday.
- (b) Rest Periods: An employee's entitlement to a rest period shall be determined by Section 208.11 amended to provide a rest period following eight hours' work in the 16 hours immediately preceding the beginning of the employee's regular hours on a workday. If an employee's rest period overlaps into his scheduled shift, he will report to his shift at the end of the period, but not until the end of the 4th or 8th hour of shift, whichever follows the rest period first.

If the unlikely event employees work 24 consecutive hours preceding their normal scheduled shift, they will be entitled to a 12-hour rest period at the straight time rate of pay.

4. SICK LEAVE, VACATION AND HOLIDAYS

An employee's total entitlement, in each of the above categories, will be converted to hours. A workday will consist of 12 hours and the employee who is off work for any of the above reasons will be charged for 12 hours of use in the appropriate category and paid on the basis of the applicable wage rate for the classification. Bonus vacation days shall also be converted to hours and such time must be taken in the year granted. Any hours of entitlement less than 12 will be carried over to the next calendar year with the above exception. Sick leave, vacation, and holidays will be subject to the following conditions:

- (a) Sick Leave: Sick leave shall be charged in accordance with Section 112.6 of the Physical Agreement.
- (b) Vacation: Vacations will be scheduled by seniority within each shift. Vacation hours constituting less than one full day shall be carried over to the next year.
- (c) Holidays: All holidays will be converted to vacation hours and scheduled in accordance with Section 111.13 of the Physical Agreement with the exception of two 12-hour floating vacation days which shall be scheduled in accordance with Section 103.3 of the Agreement. These days can be scheduled by the employee upon 24 hours' notice, however a floating holiday may not be used on one of the six observed holidays. Six fixed holidays will be determined by vote of the employees. A simple majority will be sufficient to establish those observed. Employees who begin their day or night shift on an observed holiday will receive 1-1/2 x pay for their 12-hour shift.

Employees transferring into a headquarters with 12-hour shift schedule classifications shall be granted the number of hours of holiday time remaining unused during the year in their previous schedule or the amount of holiday hours remaining in the headquarters schedule, whichever is greater.

Employees transferring out of a headquarters with 12-hour shift schedule classifications shall be granted the number of holidays remaining in the schedule into which they transfer provided holiday hours taken in advance of the holiday are converted to vacation hours if available.

5. JURY DUTY AND FUNERAL LEAVE

Time off for one of the above reasons, which occurs on a regularly scheduled workday, will result in the employee being credited with 12 hours worked, for pay purposes. Where an employee on the night shift is called for jury duty, such employee shall be rescheduled to the day shift, pursuant to Subsection 101.10(a) of the Physical Agreement. An employee called as a witness, per Subsection 101.11(a), shall be credited with 12 hours' pay for such day at the appropriate rate of pay. If the employee is released in either case, the employee shall return to work on the day shift if there are at least four hours remaining prior to the end of the day shift.

6. HOURS

Section 202.17, Change of Hours - First Four Days, will be modified to provide overtime compensation for all work performed outside of regular work hours for the first three workdays of any situation.

7. SHIFT PREMIUM

No shift premium will be paid for the day shift. The night shift will receive a shift premium based on 12 hours at the third-shift premium. For the purposes of the eight hours' overtime contained within the normal 48-hour workweek, the overtime multiplier shall not be applied to the shift premium. The Sunday premium will continue to be paid unless specifically addressed in the local agreement.

8. ELECTION DAYS

On election days, affected day-shift employees will be permitted sufficient time to vote and normal commute time with pay prior to reporting to work. This delay in reporting time will be handled by extending the night-shift employees' workday where necessary.

9. MEALS

Shift employees shall be permitted to eat their meals during work hours and shall not be allowed additional time therefor at Company expense. Overtime meals will be handled in accordance with Title 104.

10. BENEFITS

All benefits which are currently based on an employee's base rate of pay will continue to be based on the employee's current 40-hour workweek rate. Benefits which are currently based on an employee's actual earnings will be so determined.

11. DISCIPLINARY LAYOFFS

In those areas where Positive Discipline is in effect, the Company will provide paid 12-hour Decision Making Leaves. Work groups under the constructive discipline guidelines will recognize the change from 8 to 12 hours in determining the length of layoff.

12. FILLING VACANT POSITIONS

- (a) If the Company elects to fill a vacant position at any location that does not have relief shift employees or relief shift employees are not available, other than by reassignment on the watch or the utilization of adjacent watch personnel, the following sequence shall be utilized:
 - (1) Call in the shift employee who is on his "long change" and has signed the voluntary sign-up list, if applicable, (the operator who will be called is the operator who has the most days off on his non-workdays).
 - (2) Call in the shift employee who is on his "long change" (the operator who will be called is the operator who has the most days off on his non-workdays).
 - (3) Call in the shift employee on his non-workdays who has signed the voluntary sign-up list, if applicable, and is scheduled to return to work on the same shift that is vacant.
 - (4) Call in the shift employee on his non-workday who is scheduled to return to work on the same shift that is vacant.
 - (5) Call in the shift employee on his non-workdays who has signed the voluntary sign-up list, if applicable, and previously worked the same shift that is vacant.
 - (6) Call in the shift employee on his non-workdays who previously worked the same shift that is vacant.
 - (7) Assign the employee who worked the previous shift while attempting the call-out of another employee.
- (b) Every effort will be made to minimize the occurrence of an employee working in excess of 16 hours and in no instance will an employee be required to work in excess of 24 hours.

- (c) If Relief Shift Employees are utilized, the Labor Agreement Clarification of Titles 202 and 208 for the Hours of Relief Shift Employees shall be amended as follows:
 - (1) Section A shall provide that the regular scheduled workdays may be changed by agreement between Union and Company; however, when the relief shift employee's regular schedule provides for a 12-hour shift, the hours of the shift shall be the same as the regular 12-hour-day shift.
 - (2) Section B, Item 1 shall provide that the first watch in a 24-hour day period will be the day shift.
 - (3) Section B, Items 2 and 4 shall be amended to allow employees utilized to cover a vacant shift and who are also scheduled to work a following shift, that would require such employees to work 20 or more hours in a 24-hour period, shall be excused from working the shift, but shall, nevertheless, be paid for the shift.
 - (4) Section D, Item 1 shall be amended to delete the word "consecutive" from the third sentence.
 - (5) Section D, Item 2 will be neither applicable nor utilized under this agreement.

13. GRIEVANCES/PROBLEMS

Problems which arise from the 12-hour shift agreement will be referred to a Company-Union 12-Hour Shift Committee. Grievances shall be processed pursuant to Title 102 of the Agreement.

14. CONTINUATION OF 12-HOUR SHIFTS

- (a) It is the intention of the Company and Union to work together to resolve any unforeseen problems which may arise in administering the 12-Hour Shift Schedule. As applied to 12-hour rotating shift work, it is understood and agreed that if any provision of this agreement is in conflict with provisions of the Labor Contract between the parties, the provisions of this agreement shall prevail. In all other respects, the terms and conditions of the contract shall remain in full force and effect.
- (b) A joint Company/Union 12-Hour Shift Committee shall be established and will meet regularly to review the progress of the 12-Hour Shift Schedule. The Committee will continue to encourage input from employees who have comments regarding the 12-Hour Shift Schedule. The Company and union need commitment to assure that the 12-Hour Shift Schedule works effectively and in accordance with this agreement.

- (c) The 12-Hour Shift Committee may make recommendations, without obtaining a vote of approval from affected employees, to amend this agreement. The Committee wants to make sure the success of the 12-Hour Shift Schedule is not jeopardized because necessary modifications could not be made to the 12-Hour Shift Schedule. The Company Industrial Relations Manager and the Union Business Manager must approve and sign all amendments or changes to this agreement.
- (d) Either the Company or Union reserves the right to return to the eight-hour shift schedule by giving 60 days' notice, should in the opinion of either Company or Union, the 12-hour shift program adversely affect the operation of the Company or the employees. This includes, but is not limited to, the level of productivity, absenteeism, tardiness, safety, performance, refused overtime, overtime availability, and employee attitude.

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

PACIFIC GAS AND ELECTRIC COMPANY

By Manager of Industrial Relations

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

Very truly yours,

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

J., 1986

By Business Manager