

PACIFIC GAS AND ELECTRIC COMPANY**PG&E** +

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September 21, 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:

This cancels and supercedes previous agreements on this matter.

Confirming the discussions between the Union and Company and based upon the favorable results of the trial period in North Bay Division and at the Geysers Power Plant, Positive Discipline will be extended to the remainder of the PGandE system represented by Union.

Positive Discipline will be implemented in accordance with the following schedule:

| | |
|-------------------|---|
| November 1, 1987: | Redwood Region Humboldt Bay Power Plant |
| December 1, 1987: | Pipeline Operations |
| January 1, 1988: | East Bay Region Steam Generation Nuclear Power Operations |
| February 1, 1988: | Sacramento Valley Region San Joaquin Valley Region |
| March 1, 1988: | Golden Gate Region Mission Trail Region |
| April 1, 1988: | General Construction General Office |

Company will schedule orientation meetings with all affected employees. Company will advise Union's Business Representatives of all such meeting dates, times, and places. Union's Business Representatives, upon request of the Representative, will be allowed to make a presentation at such meetings. Additionally, Union will make a video presentation at each meeting.

Company will complete the following prior to the implementation of Positive Discipline:

1). Company will prepare a list of employees to whom any step of Constructive Discipline have been applied within twelve months prior to the appropriate implementation date.

2). Company will determine and list each such employee's equivalent status under Positive Discipline, normally not to exceed a written reminder in two categories. As a general guideline, a disciplinary letter received within the prior six months will be converted to an oral reminder. Disciplinary time-off within the prior twelve months will be converted to a written reminder. These guidelines are for conversion only and are not to be construed as applicable to future disciplinary actions. In those limited circumstances where it is clear that the last step prior to termination has been applied, Company may place such employee at the decision-making leave step. However, termination may not occur if another disciplinary problem takes place in a category other than the category that gave rise to the decision-making leave status. All converted disciplinary action will be subject to the deactivation schedule of positive discipline utilizing the original date of the constructive discipline action.

3). Company will review and obtain concurrence of the list with Union. If concurrence cannot be reached locally, any disputed conversions will be referred for resolution to a Committee consisting of one member designated by Company's Manager of Industrial Relations and one member designated by Union's Business Manager.

4). Company will explain to each affected employee in the presence of a Shop Steward, if the employee desires the presence of a Shop Steward, his status under Positive Discipline as it related to his previous status under Constructive Discipline in meetings between employees and their supervisors.

5). Company will deactivate and remove all recorded disciplinary action from employee's 701 files or supervisor's operating files that occurred more than twelve months prior to the start date of Positive Discipline. All such documents will not be used or referred to in any matter affecting the status of an employee including any step of the grievance procedure.

For the purposes of Contract Sections 205.11 and 18.11, the definition of "active counselling" under the Positive Discipline System, unless changed by the parties through negotiations, will be defined as during the previous twelve-month period (1) two or more instances in which the employee has received written reminders, (2) a decision-making leave or (3) a demotion with cause.

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The Attendance Category referred to in the Positive Discipline Guidelines shall not be used to circumvent Section 112.8 of the Physical Agreement and Section 7.8 of the Clerical Agreement.

Employees will be entitled to Union representation at any phase of Positive Discipline including coaching and counselling.

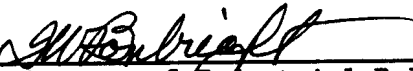
All steps of positive discipline are subject to the grievance procedures of the Physical and Clerical Agreements. Coaching and counselling is subject to the grievance procedures only to determine accuracy.

The attached Positive Discipline Guidelines, which are incorporated herein, will be administered as the Positive Discipline System. This agreement may be amended at any time by agreement between Company and Union.

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 the Company.

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By: 
Manager of Industrial Relations

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

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

Sept 23, 1987

By: 
Business Manager

PACIFIC GAS AND ELECTRIC COMPANY
POSITIVE DISCIPLINE GUIDELINES

I. INTRODUCTION

It has been the policy of Pacific Gas and Electric Company to enhance and to improve work performance in all areas by means of clear communication and understanding of performance requirements by all employees. To this end, Company will utilize Positive Discipline to:

1. Improve communications between supervisors and employees.
2. Improve knowledge and understanding by individuals of performance expectations.
3. Communicate the expectation of change and improvement through coaching and counseling.

In order to ensure that customers are served effectively and Company business is conducted properly and efficiently, employees must meet certain standards of performance and perform their jobs in a safe and effective manner. Supervision is responsible for establishing employee awareness of their job requirements, and employees, in turn, are responsible for meeting these standards and expectations. Positive Discipline is a system that emphasizes an individual's responsibility for managing their performance and behavior. It focuses on communicating an expectation of change and improvement in a personal, adult, non-threatening way; while at the same time, maintaining concern for the seriousness of the situation. Key aspects of this system include recognizing and encouraging good performance, correcting performance problems through coaching and counseling, and building commitment to effective work standards and safe work practices.

If an employee has a conduct, attendance or work performance problem, disciplinary action may be necessary to correct the situation. Positive Discipline is designed to provide the opportunity to correct deficient performance and build commitment (not merely compliance) to expected performance in a manner that is fair and equitable to all employees. Each step is a reminder of expected performance, stressing decision making and individual responsibility, not punishment.

The Positive Discipline Program applies to all regular employees. It does not apply to probationary employees. The performance of probationary employees shall continue to be monitored utilizing performance reviews and counseling. The Employee Assistance Program will continue to play a very important role and should be utilized when appropriate.

II. THE POSITIVE DISCIPLINE SYSTEM

A. Coaching and Counseling

Coaching/counseling is the expected method for the supervisor to

inform an employee about a problem in the areas of work performance, conduct, or attendance. The objective of performance coaching/counseling is to help the employee recognize that a problem exists and to develop effective solutions to it. Since it is the supervisor's approach to a performance problem that often brings about the employee's decision to change behavior, it is critical that the supervisor be prepared. Coaching/counseling is intended to be a deliberation and discussion between the supervisor and employee. Normally, performance problems can be resolved at this step. Coaching/counseling memos or notes kept in the supervisor's operating file should be deactivated in the same manner as oral reminders (Section VI.A) If a bargaining-unit employee requests a shop steward prior to or during coaching/counseling, such request shall be granted.

B. Positive Discipline Steps

When an employee fails to respond to counseling or a single incident occurs which is serious enough to warrant a formal step of discipline, the supervisor will have several options, depending on the seriousness of the performance problem. These options or steps of the Positive Discipline system are:

NOTE: ALL BARGAINING UNIT EMPLOYEES ARE ENTITLED TO APPROPRIATE UNION REPRESENTATION DURING ANY STEP OF POSITIVE DISCIPLINE.

STEP ONE - ORAL REMINDER

1. Application

The supervisor discusses the conduct, attendance, or work performance problem with the employee in a private meeting. The supervisor reminds the employee of the importance of commitment to follow work rules and Company standards. In this problem-solving discussion, the supervisor informs the employee that this is the first step of the discipline process and restates the employee's need to live up to his/her commitment. The meeting closes with the supervisor expressing confidence in the employee's ability to change.

2. Documentation

- (a) The supervisor will prepare a hand written memo documenting the basic conversation, date it, and keep it in his/her operating file. The employee is entitled to and will be given a copy of this memo.
- (b) The supervisor will also make a notation of this discussion on the Employee Performance Record sheet (Attachment 1).
- (c) An oral reminder is active for six (6) months.

STEP TWO - WRITTEN REMINDER

A written reminder is a formal conversation between a supervisor and

employee about a continued or serious performance problem. The conversation is followed by the supervisor's written letter to the employee summarizing the conversation and the employee's commitment to change their behavior. It is the second step of the Positive Discipline System.

1. Application

This step is applied when:

- o An employee's commitment to improve is not met within the six (6) month active time period for an oral reminder; or
- o An employee commits a serious offense whether or not any previous disciplinary action has been taken.

2. Documentation

- (a) After the conversation with the employee, the supervisor will then write a letter to the employee summarizing the discussion. It should contain the exact performance problem, the date of casual, and/or oral reminders, what offense caused the reminder, the employee's commitment and need to change in the future, and whether further steps of Positive Discipline could follow.
- (b) The original copy of the letter is given to the employee. The immediate supervisor retains a copy of the letter and a copy is placed in the employee's Personnel (701) file.
- (c) The supervisor will make a notation of this discussion on the Employee Performance Record sheet (Attachment 1).
- (d) The written reminder is active for twelve (12) months.

STEP THREE - DECISION MAKING LEAVE (DML)

The DML is the third and final step of the Positive Discipline System. It consists of a discussion between the supervisor and the employee about a very serious performance problem. The discussion is followed by the employee being placed on DML the following work day with pay to decide whether the employee wants and is able to continue to work for PGandE, this means following all the rules and performing in a fully satisfactory manner.

The employee's decision is reported to their supervisor the workday after the DML. It is an extremely serious step since, in all probability, the employee will be discharged if the employee does not live up to the commitment to meet all Company work rules and standards during the next twelve (12) months, the active period of the DML; except as provided in Section III.B.

Because the DML is a total performance decision by the employee, there is only one active DML allowed.

1. Application

This step is applied when:

- o An employee's commitment to improve is not met during the twelve (12) month active time period for a written reminder; or
- o An employee commits a very serious offense whether or not previous discipline has taken place.

2. Documentation

- (a) Notes are to be written covering the key points of the conversation. The exact date and offenses should be included. Employee excuses, protests, and reasons should be included.
- (b) When the employee returns from the Decision Making Leave, the employee will be given a letter summarizing the Decision Making Leave incident and the employee's decision. This letter should be written by the supervisor using the notes mentioned in (a) above. The letter will advise the employee that termination could follow should they fail to live up to their commitment to maintain total performance and abide by all Company rules.
- (c) The original copy of the letter is given to the employee. The immediate supervisor retains a copy of the letter and a copy is placed in the employee's Personnel (701) File. The supervisor will also make a notation of this discussion on the Employee's Performance Record sheet (Attachment 1).
- (d) A DML is active for twelve (12) months.

In the event an employee at a discipline step is placed on an approved leave of absence or is on the Compensation Payroll in excess of ten consecutive workdays, the active periods referred to above will be suspended until the employee returns to the active payroll. However, if an employee is off the active payroll in excess of twelve consecutive months, any discipline will be deactivated upon their return to the active payroll.

C. Reviewing Performance Record Sheet

Upon advance notice given to the supervisor allowing a mutually agreeable time to be determined, an employee will be allowed to review their performance record sheet kept in the supervisor's operating file.

III. TERMINATION

- A. Termination occurs when Positive Discipline has failed to bring about a positive change in an employee's behavior, such as another disciplinary problem occurring within the twelve (12) month active

duration of a DML. Termination may also occur in those few instances when a single offense of such major consequence is committed that the employee forfeits his/her right to the Positive Discipline process, such as:

Theft (See Review Committee Decisions 1451 and 1452)
Striking a member of the public
Energy Diversion
Curb reading of meters

- B. Notwithstanding the foregoing, if a performance problem which normally would result in formal discipline occurs during an active DML, the Company shall consider mitigating factors (such as Company service, employment record, nature and seriousness of violation, etc.) before making a decision to discharge, all of which is subject to the provisions of the appropriate grievance procedure for bargaining unit employees. In addition, a summary of the decision not to terminate should be documented and placed in the employee's Personnel (701) File, and the employee should be given a copy of the summary.

IV. ADMINISTRATIVE GUIDELINES

- A. Rule infractions are generally divided into three categories. These are (1) work performance, (2) conduct, and (3) attendance. The maximum number of oral reminders that may be active at one time is three (3), and these must be in different categories. Should another performance problem occur in a category where there is already an active oral reminder, the discipline step must escalate to a higher level of seriousness; usually a written reminder. The maximum number of written reminders that may be active at one time is two (2), and these must be in different categories. Should another performance problem occur in a category where there is already an active written reminder, the discipline step must escalate to a DML.

The above language refers to escalation to the appropriate disciplinary step once a decision to formally discipline has been made. In lieu of taking formal disciplinary action, the supervisor may opt to coach/counsel an employee, taking into consideration mitigating factors.

In addition, where appropriate, such as an employee who exhibits an inability to work in a classification that is not directly supervised, consideration for demotion should be made.

Placement of a bargaining-unit employee at a Positive Discipline step or termination of a bargaining-unit employee may be grieved by that employee's Union on the grounds that such action was without "just cause," the degree of discipline was too severe, or there was disparity of treatment, pursuant to the provisions of the appropriate grievance procedure.

Because the Decision Making Leave is a total performance decision on the employee's part, there is only one DML. Additionally, while the DML is active, no other formal steps of Positive Discipline may be administered; except as provided for in Section III.B.

- B. The following list, which is not intended to be all inclusive, gives examples of rule violations and general categories they fall into:

Attendance:

Absenteeism
Tardiness
Sick Leave Abuse (Positive Discipline will not circumvent or supersede sick leave abuse sections of any Labor Agreement)
Unavailability
Extended Lunches/Break Periods
No Call/No Show

Conduct:

Violation of the Employee Conduct Standard Practice
Carrying Firearms on Company Property or in Company Vehicles
Backing Accidents
Leaving Assigned Work Area/Location Without Permission
Insubordination: Refusal to Follow Supervisor's Instruction
Refusal to Work Overtime in an Emergency Situation
Fighting or Provoking a Fight on Company Property
Falsification of any Company Document or Record
Conducting Personal Business on Company Time Without Permission
Reporting a False Reason for an Absence
Congregating
Verbal and/or Sexual Harassment
Failure to Adhere to Safe Work Practices and Accident Prevention Rules
Initiating, Encouraging, or Participating in a Walk-Out or Work Slowdown
Allowing Guests on Restricted Company Property Without Permission

Work Performance:

Unsatisfactory Work Performance (Quality/Quantity, Effort, and/or Negligence)
Sleeping on the Job
Poor Housekeeping
Excessive Time Away from Work Station

Note: For some types of performance problems, caused by an ability deficiency, demotion to a lower classification may be the appropriate action rather than implementing any step of Positive Discipline.

- C. Offenses in each of the three categories are normally assigned a level of severity. Their level of severity can be minor, serious, or major in nature. As a general rule, the seriousness of the offense dictates

which step of the Positive Discipline process would apply.

- D. The above list is not totally inclusive. In addition, Company Standard Practices, Safety, and Procedural Rules, along with sound judgement and common sense should govern individual conduct and actions. Individual departments and locations also have rules and standards which must be adhered to or met.

V. CRISIS SUSPENSION

As has been past practice, a crisis suspension should be used when an employee's inappropriate behavior is so serious immediate removal from the workplace is necessary because the employee's actions indicate that remaining on or returning to the job may be detrimental to the employee, fellow employee, customers, or the Company. The employee shall be required to leave Company property pending investigation. Some examples would be theft, insubordination, threat of violent action, destruction of Company property, or reporting to work under the influence of alcohol or drugs. These situations will be handled in the following manner:

1. If, upon completion of its investigation, Company finds that there is insufficient evidence to support the alleged misconduct, the employee will be placed back to work and will be paid for the investigatory time off.
2. If, upon completion of its investigation, Company finds that there is sufficient evidence to support termination, the employee's employment will be terminated and the investigatory time off will be without pay.
3. If, upon completion of its investigation, Company finds that there is sufficient evidence to support disciplinary action but not termination, the appropriate step of Positive Discipline will be administered and the employee will be reimbursed for the investigatory time off without pay. However, should an employee be unfit for work or otherwise unavailable, the employee shall not be reimbursed for such time.

VI. DEACTIVATION

A very important step of the Positive Discipline system which recognizes improved performance is the deactivation process. If an employee has maintained fully satisfactory performance during the active period of a disciplinary action and the employee's attendance, conduct, and/or performance improves, it is imperative that the supervisor acknowledge the improvement. The administrative process of deactivation is summarized below:

A. Oral Reminder

At the end of the six month active time period, the immediate supervisor meets with the employee and informs the employee of the inactive status of the oral reminder, and commends the employee for improved performance. The supervisor notes the inactive status on the

Employee's Performance Record sheet. The original memo should be removed from the supervisor's operating file and be returned to the employee. A copy shall also be forwarded to the Regional/Department Human Resources Office.

B. Written Reminder/DML

At the end of the 12-month active time period for the written reminder and the 12-month active time period for the DML, the supervisor initiates a typed memo advising the employee of the inactive status of the step, commends the employee's improved performance, and removes all reference from the 701 File. Copies are distributed to all who were previously copied on the written reminder or DML letters with the exception of the 701 file. The supervisor also notes the inactive status on the Employee's Performance Record sheet. A copy of the original written reminder and letter confirming the DML shall be forwarded to the Regional/Department Human Resources Office.

VII. RECOGNIZING GOOD PERFORMANCE

The supervisor is a very important member of the work group. Since the supervisor's job is to get work down through others, it is essential that energies be concentrated on helping employees be as successful as possible. What a supervisor expects of an employee and the way the employee is treated to a large extent determines that employee's performance. Good performance is a shared responsibility.

The supervisor has an opportunity to foster a working environment that is based on mutual respect and trust, a collaborative team effort that is mutually beneficial to the supervisor, the employee, and the organization. Positive Discipline is intended not only to resolve performance problems, but also to focus on improvement in performance and recognize exceptional performance. Reinforcement of this type of behavior will help to ensure its continuation and should be used under the following circumstances:

- A. When an employee's attendance, conduct, and/or performance improves, it is imperative that the supervisor acknowledges the improvement in a way that encourages the employee to maintain the improvement. Such change in behavior that are ignored often disappear.
- B. When an employee deserves recognition and commendation for performance, above and beyond the call of duty, such as:
 - o Taking immediate action in a crisis or emergency situation.
 - o Developing a cost saving or work saving idea.
 - o Providing special training or assistance to other employees.
- C. When an employee deserves recognition and commendation for performing competently and diligently over a period of time. Examples would include:

- o Maintaining a good attendance record over a significant period of time.
- o Maintaining a record of working safely.
- o Maintaining a spirit of teamwork that is demonstrated through specific actions.

In a discussion of this nature, the supervisor must refer to the specific improvement or incident with which the supervisor is pleased. The supervisor must be specific and sincere. These positive contacts should be noted on the employee's performance record. If the employee's performance is exceptional, or the supervisor is deactivating a step of Positive Discipline, a memo to the employee should be prepared by the supervisor recognizing this exceptional or improved performance. A copy should also be placed in the employee's Personnel File (701) unless it is a deactivation memo/letter. This type of recognition can be highly successful in establishing and maintaining a motivating, productive work environment.