



**Pacific Gas and
Electric Company.**



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS
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MATTHEW LEVY
PRINCIPAL NEGOTIATOR

ENGINEERS AND SCIENTISTS OF CALIFORNIA
LOCAL 20, IFPTE, AFL-CIO AND CLC
810 CLAY STREET
OAKLAND, CA 94607
510.238.8320

JOSHUA SPERRY
SR. UNION REPRESENTATIVE

Memorandum of Understanding

August 3, 2016

Joshua Sperry, Senior Union Representative
Engineers and Scientists of California, Local 20
IFPTE (AFL-CIO & CLC)
810 Clay Street
Oakland, CA 94607

Dear Mr. Sperry:

Regarding the 2015 year for the performance management program, there were 46 employees who received ratings in the "Lower L." ESC filed timely grievances regarding 17 of these, and also five grievances claiming that employees should have been rated in the "Upper L" but were not.

The Company and Union have discussed the grievance process related to PMP and STIP, and have a mutual interest in providing timely resolution to disagreements. The Company has investigated all of the Union's concerns and has found that in some cases, there was insufficient documentation to uphold the Lower L rating, and has also found some errors in the "scorecard" processes which led to employees who should have been rated in the Upper L being placed into the "middle box."

The 22 grievances over performance ratings and STIP payments are listed on Attachment 2. The Company and Union agree to settle each of these grievances, or refer the case to mini-arbitration, as described on Attachment 2.

For grievances settled or withdrawn, the outcome listed will be considered the complete settlement of each grievance and will be without prejudice to any future grievances. For grievances listed as referred to mini-arbitration, the process to be used is described in Attachment 1. This is to be a pilot program for 2016 only. If it is used again, this will require a new agreement by the parties.

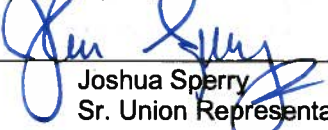
If you agree, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Matthew Levy
Principal Negotiator

ENGINEERS AND SCIENTISTS OF CALIFORNIA
LOCAL 20, IFPTE, AFL-CIO AND CLC

By: 
Joshua Sperry
Sr. Union Representative

August 5, 2016

8/12, 2016

Attachment 1: ESC-PG&E "Mini Arbitration" Ground Rules and Instructions to Arbitrator.

Pilot for 2016 only.

Draft 6/8/16

1. Mini-arbitration will occur at Step 2 of the grievance process, in lieu of the Local Investigating Committee. Cases will be selected by mutual agreement.
2. ESC and Labor Relations will select the Arbitrator and set a hearing date. The parties intend for the Arbitrator to hear four cases in the day and give oral decisions. No court reporter will be used and no transcript prepared. Cost of the arbitration will be born equally by the parties.
3. Company will have the burden of proof for employee challenges to "Lower L" ratings ("Lower L cases"). Union will have the burden of proof for any employee claiming they should have been rated in the "Upper L" ("Upper L cases").
4. The questions presented to the arbitrator will be one or more of the following. Which questions are presented depend on the arguments made by the Union and Company.
 - a. For all cases:

If practicable, did management give the employee reasonable notice of specific performance issues and provide an opportunity to improve? (If management claimed that this was not practicable and union disputes this, was it practicable?)

- b. For Lower L cases:
 - i. Was the employee's performance deficient as stated by management? Note that reasonable allowances will be made for an employee's availability, workload, experience, training and other priorities as assigned by management, and individual goals shall account for the variability and difficulty of each employee's particular assignment.
 - ii. Were the goals reasonable, attainable, measurable and related to the employee's job duties?
 - c. *[For Upper L cases: Did the employee's performance exceed goals, and/or was employee a "role model" in terms of competencies?]* - Not needed for 2016 since we are doing all Lower L cases and this is only applicable to Upper L cases.
 - d. The only potential remedies will be adjusting the PMP rating, paying the STIP at the rate of a different individual modifier percentage, or both, or no adjustment.
5. Joint standing exhibits for each case will include:
 - a. Contract language (STIP language from cover letter)
 - b. 9-box grid with percentages for each box, and calculation of payment for each employee for the year
 - c. Mid-Year and Year-End performance reviews
 - d. Job Description for employee's classification
 - e. (Optional) acronym list to aid the arbitrator
6. The party with the burden of proof must present its written evidence four weeks before the hearing date ("Opening Evidence"). The opposing party will present its written evidence three weeks before the hearing date ("Opposing Evidence"). The party with the burden will then have an option to present additional written evidence, but this "Rebuttal Evidence" will be limited to evidence that directly rebuts any claims made by the opposing party in its Opposing Evidence and that were outside the scope of the Opening Evidence. Rebuttal Evidence will be presented two weeks before the hearing date. Neither side may present any more documents after that time, and all written evidence will be transmitted to the arbitrator no later than one week before the hearing date. Written evidence may include statements from individuals with knowledge about the case, e.g. the grievant, the supervisor, co-workers, managers, etc. Statements from individuals who are not the supervisor or grievant should include foundation, i.e. how the person giving the statement knows what they are saying. There will be a maximum of 30 pages of documents from each side, exclusive of the joint exhibits above.
7. At the hearing, each side will have 30 minutes to present its case (the party with the burden will present its case first), then the party with the burden will have 15 minutes, restricted to rebuttal of the arguments or facts presented by the other side at the hearing. The arbitrator may ask questions at any time. There will be no witnesses, only argument. Supervisor and Grievant may be present, but only to answer questions from the arbitrator. There will be no direct or cross examination by the parties at the hearing.
8. The Arbitrator's decisions will be final and binding but will not set any precedent. There will be no appeal process.

Attachment 2 Grievances related to performance ratings and STIP payments

Grievance Number	Last Name	First Name	Outcome	Supervisor	Job Classification	Labor Specialist	ESC Rep	Upper/Lower L
23650	Wallis	Jeffries	Note: already settled outside this process	Ada Luyin Zhu	Power Gen Pj Engineer-ESC	Dylan Gottfried	Adolfo Riedel	Lower L
23638	Burns	Dexter	Pay STIP at "middle box" rate, no change to PMP rating	Kendrick M Li	Senior Right of Way Agent	Margaret Franklin	Adolfo Riedel	Lower L
23651	Thomas	David	Pay STIP at "middle box" rate, no change to PMP rating	Margaret Noel Trumbly	Land Planner, Senior	Margaret Franklin	Adolfo Riedel	Lower L
23652	Descantes	Christophe	Pay STIP at "middle box" rate, no change to PMP rating	Brian Scott Spirou	Cultural Resource Specialist, Senior	Margaret Franklin	Adolfo Riedel	Lower L
23635	Derr	Wynn	Withdraw	Paul Ian Allen	Project Architect - ESC	Margaret Franklin	Adolfo Riedel	Lower L
23627	Klinkowski	Christine	Adjust rating to "Target-Successful" ("middle box") and pay difference in STIP accordingly	Jennifer A Darcangelo	Terrestrial Biologist, Senior - ESC	Margaret Franklin	Debbie Durham	Lower L
23626	Basu	Mimoy	Refer to mini-arbitration	Aydeji O Sonoiki	Project Manager BSEng-ESC, Sr	Marcus Mitchell	Debbie Durham	Lower L
23661	Sayson	Lytic	Pay STIP at "middle box" rate, no change to PMP rating		SMOC	Michelle Roberts	John Ward	Lower L
23664	Holmes	Mason	Refer to mini-arbitration	Angela Delana	Land Planner	Margaret Franklin	John Ward	Lower L
23654	Gibson	Jason	Note: already settled outside this process	Michael Philip Palmer	Power Gen Project Manager-ESC	Dylan Gottfried	Lis Fiekowsky	Lower L
23641	Schmidt	Derek	Pay STIP at "middle box" rate, no change to PMP rating	Caitlin Mary Heckathorn	(Nuc) Perf Improvement Coord-ESC, Senior	Micah Van Bogelin	Melanie Curry	Lower L
23634	Quick	Stephen	Pay STIP at "middle box" rate, no change to PMP rating	Christine M Sylvester	Project Manager BSEng-ESC	Marcus Mitchell	Melanie Curry	Lower L
23642	Glines	Neil	Pay STIP at "middle box" rate, no change to PMP rating	Caitlin Mary Heckathorn	(Nuc) Perf Improvement Coord-ESC, Senior	Micah Van Bogelin	Melanie Curry	Lower L
23666	Reed	Stephen	Refer to mini-arbitration	Steve H. Matuszawicz	(Nuc) Procurement Specialist - ESC	Debbie Sargent	Melanie Curry	Lower L
23669	Basques	Ronald	Note: already settled outside this process	Paul Leonard Johnson	Power Gen Pj Engineer-ESC, Sr	Dylan Gottfried	Nancy Ostrowski	Lower L
23657	Longacre	Corban	Refer to mini-arbitration	Paul Leonard Johnson	Power Gen Pj Engineer-ESC, Associate	Dylan Gottfried	Nancy Ostrowski	Lower L
23670	Bowen	Donald	Refer to mini-arbitration	Janet J Hong	Project Controls Analyst-ESC	Marcus Mitchell	Nancy Ostrowski	Lower L
23671	Richie	Brian	Adjust Rating to "Role Model" and pay difference in STIP accordingly		PM (Electric Ops)	?	Debbie Durham	Upper L
23633	O'Keefe	Tracy	Pay STIP at "Exceeds Target" rate, no change to PMP rating		Sr. Project Manager (Substation)	Marcus Mitchell	Debbie Durham	Upper L
23665	Embaye	Eyob	Pay STIP at "Exceeds Target" rate, no change to PMP rating		Sr. Project Manager (Substation)	Marcus Mitchell	Debbie Durham	Upper L
23668	Halterman	Suzette	Pay STIP at "Exceeds Target" rate, no change to PMP rating		Sr. PCA (Substation)	Marcus Mitchell	Debbie Durham	Upper L
23660	Caulkins	Candace	Adjust Rating to "Role Model" and pay difference in STIP accordingly		PM (Electric Distribution)	Yvonne Bradley	John Ward	Upper L

