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May 26, 2003 through May 25, 2006

AGREEMENT

BETWEEN

CenterPoint Energy, Houston Electric, LLC
(TEXAS)



AND THE
International
Brotherhood of Electrical
Workers
Local Union No. 66
Houston, Texas



8500



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AGREEMENT

This Agreement made and entered into by and between CENTERPOINT ENERGY, HOUSTON ELECTRIC, LLC, hereinafter called the "COMPANY," and LOCAL UNION NO. 66 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter called the "UNION." In the event that the Company is purchased by an unrelated third party, the Company shall use its best efforts to persuade such third party to recognize the Union as the representative of employees covered by this Agreement.

PURPOSE

The Company is engaged in furnishing an essential public service which vitally affects the health, safety, comfort and general well-being of the people living in the area served by the Company, and the very existence of the Company is conditioned and dependent upon the faithful performance of its franchise obligations and responsibilities serving the public.

The obligations and responsibilities to the public apply to both the Union and the Company and require that any differences arising between them under the provisions of this contract be adjusted and settled in an orderly manner. The Company and the Union commit to work together, as business partners, to effectively meet the needs of all employees, customers, shareholders, and the communities we serve.

There shall be no unlawful discrimination against any employee of the Company, Union or any other employee because of race, color, disability, religion, age (over 40), sex or national origin. The same standards will apply to veterans of the Vietnam era.

In view of such obligations and responsibilities on the part of both the Union and the Company, it is agreed as follows:

ARTICLE 1

Recognition

Section 1. For the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment Company recognizes Union as the exclusive representative of the following described employees: All of the Company's construction, maintenance and operating employees who are working in classifications listed in ARTICLE 18 of this Agreement engaged in CenterPoint Energy, Houston Electric, LLC, but excluding plant protection employees, supervisors as defined in the Agreement, professional employees (including nurses), office and clerical employees, janitors and meter readers.

Section 2. The provisions of this Agreement shall be limited to their application to employees of Company in the bargaining unit described in Section 1. Wherever the words "employee" or "employees" are used in this Agreement, unless otherwise noted, they shall be construed to refer only to employees described in said Section 1 for whom the Union is the exclusive bargaining representative.

Section 3. The respective obligations of the parties herein shall be operative only insofar as Union acts in the capacity of exclusive bargaining representative of said employees.

Section 4.

- a. Upon receipt of an authorization signed by an employee, the Company will deduct from the first paycheck of each month the regular Union dues for the current month. Payment shall be made on or before the 5th day of the following month to the Financial Secretary of the Union. The authorization deduction shall comply with both State and Federal laws.
- b. Upon receipt of a cancellation notice which has been executed by employee and processed by Union in conformance with the agreement contained in the current "Union Dues Deduction Authorization," Company will cease deduction from the paycheck of employee beginning with

the month following submission thereof to Company by Union.

- c. Union agrees to indemnify and save harmless the Company against any and all claims, demands, suits and other forms of liability that may or shall arise out of or by reason of action taken or not taken by Company in reliance upon the authorization submitted to Company.
- d. The Company shall not be required to change the amount of Union dues deducted until receipt of an authorization signed by an employee authorizing such change. Any change in the amount of dues deducted shall be effective as of the month following receipt of such authorization.
- e. Union agrees to furnish Company with a list specifying the amount of the regular Union dues for each classification of employee and to advise Company of any changes or modifications therein.

Section 5.

- a. Employees designated Stewards by the Union shall be recognized by the Company as representatives of the Union and no Steward shall be discriminated against by the Company because of the performance of his duties as Steward. The same protection applies to employees acting as Union Representatives.
- b. Insofar as the work load permits and subject to the approval of the Company, Stewards shall be allowed to perform their duties on Company time and Company property in a timely manner. Stewards will attempt to minimize any disruption to the Company's operation in performing their duties.
- c. The Union shall notify the Company in writing of the names of the accredited Stewards.

ARTICLE 2

No Lockouts or Strikes

The Union agrees that during the term of this Agreement there shall be no strikes, walkouts or other cessation of work by the Union or its members. The Company agrees that there shall be no lockouts of the Union or its members during the term of this Agreement. All grievances and disputes shall be adjusted as stated herein.

ARTICLE 3

Management Rights

The Company shall have the exclusive right to determine its operating policies and manage its business in the light of experience, business judgment and changing conditions consistent with the terms and conditions of this Agreement. The Company shall retain all right, power and authority not specifically relinquished in this Agreement.

ARTICLE 4

Contracting Work

Section 1. In the event Company shall contract or sublet any electrical work which under ordinary circumstances it would perform in the regular line of its operations, it agrees to impose the conditions as outlined herein, or such conditions as may be agreed upon by the parties to this Agreement, upon such contractor or sub-contractor; it being understood, however, that this Section does not apply to work not so classified. In the event a dispute arises between Union and any other Union as to whether any particular work is electrical work, Union agrees to use its best efforts to settle said dispute with said other Union without interfering in any manner with the work then in progress or with any of Company's other operations. All other things being equal, Company will not contract electrical work which under ordinary circumstances it would perform in the regular line of its operation solely for the purpose of eroding the bargaining unit described in Article 1, Section 1.

Section 2. In the event Company undertakes to act as a contractor or to lend out the services of employees covered by this contract in the performance of such work on such job, such hours of work performed by said employees shall be paid for at the scale of wages in this Agreement.

ARTICLE 5

Designated Work Place

Except as provided below, employees covered by this Agreement shall work shop to shop out of regular established storerooms designated by Company.

Employees who are required to report to stations other than their assigned reporting stations shall receive an allowance consistent with company policy for the distance traveled between their assigned reporting station and such other station.

Station to station mileage shall be established by the Company.

Nothing in this ARTICLE shall prevent the Company from making new permanent station assignments or changing existing permanent reporting station assignments.

ARTICLE 6

Apprentices

Section 1. Employees are selected for participation in the apprentice Training Program. It is understood that selection into the program does not guarantee continued employment with the company. The duration of the Program shall be three (3) years, consisting of six (6), six (6) month levels, at rates determined as follows:

- 1st 6 months - 72% of Journeyman-Rate
- 2nd 6 months - 76% of Journeyman-Rate
- 3rd 6 months - 80% of Journeyman-Rate
- 4th 6 months - 84% of Journeyman Rate
- 5th 6 months - 87% of Journeyman Rate
- 6th 6 months - 90% of Journeyman Rate

Section 2. Continued participation in the Program is contingent upon the employee's satisfactory progress at each level. In order to advance from one six (6) month level to the next six (6) month level in the Program, the Apprentice must make passing grades on tests and demonstrate the skills that the course requires for the given six (6) month period. Upon successful completion of the Program, Company agrees that the Apprentice shall be retained as Journeyman, and receive the salary therefore. Should the Apprentice fail a test, he will be given thirty (30) calendar days to retake the failed test. If the test is failed the second time, he will be removed from the Apprenticeship Program. Should the Company determine that the demonstrated skills are unsatisfactory, representatives from both the Company and the Union shall meet and make recommendations to the Company regarding removal of the Apprentice from the Program and the potential for alternative placement within the Company. The Company retains the authority to make the final decision. An Apprentice removed from the Program will be provided a written summary of the reasons for removal.

Section 3. There may be a ratio of not more than one (1) Apprentice to two (2) Journeymen as covered by this Agreement. Apprentices in their course of training shall work under the direction of Journeymen.

ARTICLE 7

Safety

A joint Management and Union Committee will be convened as needed to address safety concerns and make recommendations to the

Company regarding safety issues such as establishment and maintenance of safe working practices and/or procedures.

The Company and Union agree that final responsibility for establishing and maintaining operating practices and safety regulations shall rest exclusively with the Company.

In the event an employee suffers a serious occupational injury/illness requiring emergency treatment the Company will notify the Union immediately and Union Representatives may attend any safety investigation which is concerned with an injury/illness.

No employee other than those on trouble work shall be required to work alone on conductors that are energized over 600 volts except in major emergencies. In order to maintain a safe work environment, any employee may request assistance at his discretion and that assistance will be given.

Helpers shall not work on or within minimum approach distances to any energized conductors or apparatus.

Helpers will not be considered as qualified employees to meet safety standards for work on energized conductors or apparatus. Exceptions may be made when the Head Journeyman and Crew Leader both agree that a helper's demonstrated skills satisfy the requirements of a qualified employee.

ARTICLE 8

Holidays

There shall be ten (10) recognized holidays:

New Year's Day,
Good Friday,
Memorial Day,
4th of July,
Labor Day,
Thanksgiving Day,
The Friday after Thanksgiving,
Christmas Eve Day,
Christmas Day and
One Unscheduled or Floating Holiday.

Management will announce the observation dates for holidays for each normal schedule. Following that announcement, Management and the Business Manager will develop a holiday schedule for all employees whose work schedule is other than Monday through Friday. Such employees will observe the nine named holidays above on the actual calendar day. If any of the named holidays fall on such employees' regular day(s) off, the holiday(s) will be scheduled individually for each employee on another day during the calendar year, as with the Unscheduled or Floating Holiday. An employee may receive no more than eighty (80) total hours of holiday pay per year, regardless of the hours within which holidays fall. Employees may request in advance when they wish to have the Unscheduled or Floating Holiday scheduled. Such request will be granted whenever possible depending on the requirements of maintaining service operations. For an employee to be entitled to the Unscheduled or Floating Holiday, he must have completed ninety (90) calendar days of service with the Company.

No employee will lose any holiday pay by reason of having exhausted compensation for time lost because of disability as defined in ARTICLE 13. An Employee, who through no fault of his own, does not receive eighty (80) total hours of holiday pay, will be paid at the end of the year for the hours he did not receive.

Any employee whose work period starts during the 24 hour period on any of the nine (9) named holidays shall receive an additional one and one-half (1 ½) times pay for each hour actually worked. If required to work hours outside their normal work period on a recognized holiday or hours on holidays not falling within their normal work period or schedule, they shall receive double (2) times pay for each hour actually worked.

Notwithstanding the foregoing if a holiday falls during any normal work day, and an employee actually works any part of that day, the employee shall be given the option of declining holiday pay and attempting to reschedule such holiday hours prior to the end of the calendar year, or if such holiday is Christmas Eve Day or Christmas Day, prior to March 31 of the following calendar year. Pay at straight time rate will be paid for the rescheduled holiday but if the employee is required to work on said rescheduled holiday, hours worked shall be paid at the rate otherwise applicable for that day and not at the rate for hours worked on a holiday. In the event the employee is unable to reschedule any such holiday within the time provided, the employee will be paid at straight time pay for such holiday.

ARTICLE 9

Off By Permission

No employee shall have his salary reduced when off by permission of Company. Permission to be off without salary reduction may be granted only by the officer of the organization unit in which employee works.

ARTICLE 10

High Work

CenterPoint Energy, Houston Electric, LLC employees will be paid at one and one-half (1½) times their regular rate of pay when working 100 feet or more above the ground on towers or line support structures. This specifically excludes work on or in buildings and

excludes work done from the platform of a man lift device whether fixed or mobile.

ARTICLE 11

Call Outs

Employees called out for duty or not given notice of schedule overtime work before being released from work on the day preceding the day on which scheduled overtime work is to be performed shall be paid not less than four (4) hours at twice (2) his regular straight time rate of pay. After the first four (4) hours the call out rate will be the prevailing overtime rate. When such call out work occurs less than four (4) hours prior to the employee's next regular or scheduled work period, the guaranteed minimum number of hours shall not apply and there shall be no loss of straight time pay.

If an employee is requested back to work after being released from work, but before leaving the premises, his time will continue from when last released. This does not constitute a call out and all hours worked will be paid at the prevailing rate.

On calls for immediate response, time starts for the called crew when the first bargaining unit crew member accepts the duty. An employee accepting call out duty will report for duty as soon as possible.

On calls for a delayed response, if the call is made either 1) after 10:00 p.m. and before 8:00 a.m. or 2) less than eight hours before the designated reporting time, the employee accepting call out duty will receive one (1) additional hour's pay at one and one-half (1 ½) times his regular straight time rate of pay, and time shall start at the designated reporting time.

Call out hours will be tracked together with all other overtime hours. Only hours actually worked will be used to compute 16 hours any 24-hour period for purposes of double (2) time pay.

The Union and Company agree to work together to improve response time, productivity, and minimize outage time on call out

and develop measures to evaluate actual results. The Union and Company agree to meet periodically to review results and identify improvement opportunities.

ARTICLE 12

Hours of Work and Overtime

Section 1. For the purpose of this Agreement, the following shall apply:

- a. Nothing herein contained shall constitute a guaranteed minimum or maximum work day or work week.
- b. A work day will be considered a 24-hour period from the time an employee is scheduled to report to work.
- c. A work period is the regular number of hours worked in a work day (i.e. 8, 10).
- d. A shift is the part of the work day an employee is assigned to work (days, evenings or graveyards).
- e. A work week is 168 consecutive hours beginning at starting time of the first work day after assigned days off for fixed schedules.
- f. A schedule is the specific work days an employee is assigned to work in a work week. (e.g., Monday - Friday; Tuesday - Saturday; etc.)
- g. Employees shall be assigned work periods, shifts, and schedules by the Company consistent with the needs of service and Sections 2 and 6 of this ARTICLE.
- h. Any employee reporting in physical and mental condition to work at the scheduled starting time on an assigned shift shall be assured a full day's work.

- i. If a change of shift and/or schedule deprives an employee of the opportunity to work 40 hours in a work week, the employee will be paid not less than 40 hours, and all hours worked will be paid at the appropriate rate.

Section 2. Work Periods

a. 8-Hour Work Period

- (1) Employees' regular work period shall be eight (8) consecutive hours, which may include a scheduled unpaid meal period.
- (2) Employees will be assigned two (2) consecutive days off each work week.
- (3) Any scheduled, unpaid meal period will normally be one-half (½) hour four (4) hours after the beginning of the work period. If required to work through the meal period, the employee will be allowed a reasonable period of time to eat his meal on Company time.
- (4) If an employee's shift and/or schedule is changed, the employee will be given seven (7) consecutive calendar days advance notice. If the change in shift and/or schedule is made effective with less than seven (7) consecutive calendar days advance notice, employees shall be paid at the appropriate overtime rate for all hours worked in the new shift or schedule until the seventh day following the day of notification.

b. 10-Hour Work Period

- (1) Employees' regular work period shall be ten (10) consecutive hours, which may include a scheduled unpaid meal period.
- (2) Employees will be assigned three (3) consecutive days off each work week.
- (3) Any scheduled, unpaid meal period will normally be

one-half (½) hour five (5) hours after the beginning of the work period. If required to work through the meal period, the employee will be allowed a reasonable period of time to eat his meal on Company time.

- (4) If an employee's shift and/or schedule is changed, the employee will be given seven (7) consecutive calendar days advance notice. If the change in shift and/or schedule is made effective with less than seven (7) consecutive calendar days advance notice, employee shall be paid at the appropriate overtime rate for all hours worked in the new shift or schedule until the seventh day following the day of notification.
- c. Insofar as operations permit, day shifts will normally start at 6:00 a.m., 6:30 a.m., 7:00 a.m., 7:30 a.m., or 8:00 a.m. Whenever the Company and Business Manager agree, these starting times may be changed. Shifts other than day shifts may be established as operations and customer service require.
 - d. Before implementing a work period (8 or 10 hour) not previously established for a work location, work group, or organization unit, the Company and Union will agree to the establishment of that work period. If the Company desires to establish a new work period (other than 8 or 10 hours), the Company and Union shall negotiate the conditions and application of the new work period.
 - e. After establishment of a work period, if the Company decides to move employees from one established work period to another, the Company will:
 - (1) Notify the Business Manager as soon as possible and provide the reason(s) for the change.
 - (2) Ask for volunteers from the organization unit or location when reasonably practical. If there are not enough volunteers, the positions will be filled by employees with the least seniority where ability, skill and qualifications are equal.

Section 3. Overtime

- a. If an employee is required to work more than forty (40) hours in a work week, or to work hours outside his regularly work period/schedule he shall be paid at one and one-half (1½) times his straight time regular rate of pay for all such hours worked. If an employee is required to work in the last twenty-four (24) hours off in his schedule, he shall be paid double (2) time for all hours worked in such twenty-four (24) hours.
- b. When an employee actually works sixteen (16) or more hours in any twenty-four (24) hour period, he will be paid at the prevailing rate for the number of hours in his regularly scheduled work period and at twice (2) his regular straight time rate of pay for the remainder of the hours worked until he has been released for ten (10) continuous hours.
- c. If an employee is required to work outside his regular work period or any of his assigned days off, the employee will be entitled to at least four (4) hours work, unless it is a continuation of his regular work period or the work continues to the beginning of his next regular work period.
- d. The Company will not send an employee home on straight time solely for the purpose of keeping the employee from going into double time.

Section 4. Meal Allowances

In order to maintain an effective and efficient work force during extended work periods, the Company recognizes the importance of providing employees not only appropriate meal allowances but also opportunities to partake of meals at reasonable intervals during such extended work periods. Reasonable intervals will be based on work schedules, safety impacts, customer response requirements, and the scope of the work activities.

Allowances for meals will be as follows:

An employee shall not receive any allowances for meals during his regularly scheduled work period or for work on a normal day off if notified before normal quitting time on the last working day before such day off; unless an employee otherwise earns a meal allowance while working on a normal day off in accordance with this section. Insofar as the efficient execution of the job will allow, meals will be taken at the normal time for such meals. In the event an employee is required to stay on the job and the Company furnishes the food on the job, no allowance will be granted. A meal allowance of \$10.00 will be paid for each meal allowed.

a. Allowances for employees as defined in ARTICLE 12, Section 2a (8- hour work period):

- (1) In the event an employee is eligible for allowance for a meal, and actually eats the meal while on the job, he will be paid for time actually spent in eating, up to a maximum of one-half (1/2) hour.
- (2) If an employee continues to work two (2) hours past his regular quitting time, he will be allowed one (1) meal allowance and one (1) meal allowance for each five (5) continuous hours actually worked thereafter.
- (3) If an employee is notified to report less than fifteen (15) hours prior to reporting, or called out for duty as defined in ARTICLE 11 two (2) hours or less after being released from work, he will be allowed one (1) meal allowance upon reporting and one (1) meal allowance for each five (5) continuous hours actually worked thereafter.
- (4) If an employee is notified before normal quitting time of the previous work period to report to work one (1) or more hours prior to his regular starting time, he will be allowed one (1) meal allowance for each five (5) continuous hours actually worked.

b. Allowances for employees as defined in ARTICLE 12, Section 2b (10- hour work period):

- (1) In the event an employee is eligible for allowance for a meal, and actually eats the meal while on the job, he will be paid for time actually spent in eating, up to a maximum of one-half (1/2) hour.
- (2) If an employee continues to work one (1) hour past his regular quitting time, he will be allowed one (1) meal allowance and one (1) meal allowance for each five (5) continuous hours actually worked thereafter.
- (3) If an employee is notified to report less than twelve (12) hours prior to reporting, or called out for duty as defined in ARTICLE 11 two (2) hours or less after being released from work, he will be allowed one (1) meal allowance upon reporting and one (1) meal allowance for each five (5) continuous hours actually worked thereafter.
- (4) If an employee is notified before normal quitting time of the previous work period to report to work one (1) or more hours prior to his regular starting time, he will be allowed one (1) meal allowance for each five (5) continuous hours actually worked.

Section 5. There shall be no duplication or pyramiding of overtime and/or premium rates and where two (2) or more overtime and/or premium rates apply to the same time or work, only one (1), the higher, will be paid, except as provided in ARTICLE 10.

Section 6. Opportunities to work overtime shall be divided as equally as possible among employees, and a record of any overtime worked by employees shall be posted on bulletin boards at each work center at least monthly.

Section 7. Rest Periods.

Any employee who is required to begin the next work period as a replacement for another scheduled employee shall be allowed to complete the work period if he works more than one-half (1/2) of the work period. However, management reserves the right to release the

employee at any time during the shift once management determines that the work is complete.

After having completed sixteen (16) or more hours of work in any twenty-four (24) hour period, an employee will be entitled to a rest period of ten (10) continuous hours, without loss of straight time pay, or shall thereafter be paid at the rate of double (2) his regular rate of pay until he is released for a rest period of ten (10) continuous hours. The employee is expected to report to work at the end of his rest period; however, if the Company, at its discretion, advises the employee not to report, he will be paid straight time for the remainder of that regular work period.

Any employee who does not work sixteen (16) hours in a twenty-four (24) hour period will normally be allowed ten (10) consecutive hours off between the end of his last scheduled straight time work period and the beginning of his next scheduled straight time work period without loss of straight time pay, however, the Company reserves the right to require the employee to report to work as needed. In the event that the employee is required to return to work without having ten (10) consecutive hours off as described above, he will be paid one and one-half (1½) times his regular rate of pay for each hour worked up to the number that equals the difference between ten (10) hours and the last consecutive hours he did have off. Thereafter, he will be paid at his straight time regular rate for the remainder of his work period.

ARTICLE 13

Time Lost Because of Disability

- (a) An employee who is sick and physically disabled from reporting for work may receive compensation for time lost because of such disability in accordance with Company Policy as referenced in the following schedule:

.....

<u>Years of Service</u>	<u>100% of Pay</u>	<u>66 2/3rd % of Pay</u>
From Hire Date through 12 months	40 hours	1,000 hours
From 1 st Anniversary through December 31 st	120 hours	920 hours
January 1 of 2 nd Anniversary	240 hours	800 hours
January 1 of 3 rd Anniversary	480 hours	560 hours
4 th through 14 th	720 hours	320 hours
15 th through 19 th	960 hours	80 hours
20 th and thereafter	1,200 hours	0 hours

- (b) Compensation for time lost because of personal physical disability is not cumulative from year to year. The Company may require satisfactory evidence of disability before compensation as provided herein is approved.

ARTICLE 14

Vacations

Insofar as the requirements of service will permit, and subject to the approval of the Company, vacations with pay may be scheduled by employees throughout the calendar year. Choice of vacation period may normally be granted in the order of term of employment but not in every case.

In the event a holiday to which an employee would otherwise be entitled falls within an employee's scheduled vacation period, an additional day will be added to the vacation period. At the time the vacation period is scheduled, the organization unit head will arrange and designate whether the added day is to be taken at the beginning or end of the vacation period. Vacations shall not be cumulative. Employees shall be entitled to paid vacation according to the following schedule:

Years Of Service	Regular Vacation
Less Than One Year to January 1 of 2 nd Anniversary	6.67 hours per month
2 through 4	80 hours
5 through 13	120 hours
14 through 23	160 hours
24 through 30	200 hours
31	208 hours
32	216 hours
33	224 hours
34	232 hours
35 and over	240 hours

Employees who have completed their first full month of continuous service become eligible for paid vacation on a pro-rata basis. They become eligible for 80 full hours on January 1 of the second anniversary year and on each following full year of continuous service beginning on the January 1 prior to the completion of each full year of continuous service.

It is understood that, due to the requirements of the service, it will not be possible in all cases to schedule two hundred (200) consecutive hours of vacation during the seasonal heavy work periods. Insofar as the requirements of service will permit, and subject to prior approval by the Company, an employee's request to take vacation in separate one (1) week increments, but not less than four hours at a time will be granted.

Work required on vacation hours shall be at the rate otherwise applicable for that hour; however, an employee required to work on either the last day of a scheduled period of vacation or a scheduled single day of vacation shall be paid one and one-half (1½) times for each hour actually worked during his normally scheduled working hours that day and double time for each hour actually worked outside his normally scheduled working hours for that day. Employees required to work on vacation hours shall be given the option of declining vacation pay for that work period and the Company will attempt to reschedule with the employee such vacation hours prior to the end of the year; in the event an employee is unable to reschedule

any such vacation hours due to insufficient time remaining until the end of the year, the employee will be paid straight time for such hours at the end of the year.

At open enrollment time for benefits, employees will be offered the option of selling up to eighty (80) hours of vacation or buying forty (40) hours of vacation, not to exceed two-hundred forty (240) hours of vacation.

ARTICLE 15

General

Section 1. In CenterPoint Energy, Houston Electric LLC, the following conditions shall apply:

- a. In those skill areas involving a formal Apprentice Training Program as defined in ARTICLE 6, when two (2) or more men are working together without supervision of a responsible supervisor or crew leader on site, the Company shall designate one (1) of their number as "Head Journeyman," and he shall be paid at the rate of one dollar forty cents (\$1.40) more per hour during such period that he is acting in said capacity.
- b. In Skill Area 6a, Meter Tester, if a Head Meter Tester is required, he shall be paid at the rate of one dollar fifteen cents (\$1.15) more per hour during such period as he is acting in said capacity.

For purposes of this section, men shall mean journeymen or apprentices. In Distribution when two (2) men comprise a line crew, there shall be not less than one (1) head journeyman and one (1) apprentice who has completed one (1) year or more of apprenticeship.

Section 2. When a Material Handler and one or more employees who have completed, are eligible for or are participating in the Warehouse Training Program are working without responsible supervision on site, the Company shall designate one (1) Material Handler as "Head Material Handler," and he shall be paid a rate of one

dollar fifteen cents (\$1.15) more per hour during such period that he is acting in said capacity.

Section 3. In the Distribution Operations Control Center one (1) Distribution Controller will be designated by the Company as "Head Distribution Controller" for each shift on which there is no supervisor present and shall be paid at the rate of one dollar fifteen cents (\$1.15) more per hour during such period that he is acting in said capacity. This designation shall not be applied permanently to any individual Distribution Controller; however, one permanent Head Distribution Controller shall be appointed for the Day Shift on Monday through Friday.

Section 4. In Special Services, when two (2) or more appliance repairmen are working together without responsible supervision, the Company shall designate one (1) of their number as "Head Appliance Repairman," and he shall be paid at the rate of one dollar fifteen cents (\$1.15) more per hour during such period that he is acting in said capacity.

Section 5. All Head Journeymen and Head Material Handlers provided for herein shall, after having been permanently and regularly assigned by the Company in such capacity, receive the additional compensation provided for herein for all hours worked and for all hours off duty with pay as provided for in this Agreement. Such provisions shall not apply in the cases of employees who have been temporarily classified in such higher than regular classifications.

Section 6. Selection, promotion, demotion, transfer and/or assignment of Head Journeymen listed in this ARTICLE or elsewhere in this Agreement shall be within the sole discretion of the Company, and shall be with the approval of the organization unit head. Consideration may include, but is not limited to, ability, skill, qualifications, performance, seniority, attendance, and conduct. It is expressly understood that the Company's sole discretion does not extend to permitting demotion of a Head Journeyman because of the personal animosity of a supervisor toward a Head Journeyman. In the event it is alleged that a demotion has been based upon such personal animosity, the question of whether such animosity was the actual reason for the demotion may be arbitrated under ARTICLE 16 of this Agreement. A Head Journeyman may, at his discretion, request

removal from that position at anytime and thereafter he will be returned to the rate and classification held prior to being made a Head Journeyman with neither loss of seniority nor other prejudice.

In the event a permanent Head Journeyman is demoted and replaced at the Company's discretion, he will retain the rate he was receiving as a Head Journeyman for a period of time equal to one (1) month for each full year of his service as a Head Journeyman up to a maximum of twelve (12) months of rate retention. The sole discretion of the Company referred to in this section does not extend to discharge.

Section 7. Crew leaders and supervisors shall not perform duties normally performed by employees covered by this Agreement, but may perform any work following the guidelines below:

- Demonstration or training purposes
- Emergencies (i.e. storm restoration, unscheduled unit or equipment outages, etc.)
- Taking employees and/or material to a job

Employees not covered by this Agreement who respond to customer service needs shall not perform work on Company electrical facilities, but will continue to perform their present duties.

Section 8. Any employee who regularly operates a crane (mobile or crawler, hydraulic or conventional with a rated lifting capacity of 18 tons or more), a crawler tractor (bucket or blade D-6 Caterpillar equivalent or greater), a backhoe (with bucket or pavement breaker), a concrete pump operator, a 4X or 6X Rolligon Operator, or equipment that has a GVW of at least 17,500 pounds, except any type of forklift, shall be classified as a Heavy Equipment Operator (HEO).

Exceptions to Heavy Equipment Operator (HEO) are listed below:

Any employee who regularly operates a tractor-truck equipped with a fifth wheel or bolster and pulling a trailer, float or lowboy greater than thirty (30) feet in length shall be classified as a Tractor-Trailer Driver (TTD).

Any employee who regularly operates a truck equipped with a hydraulic device for lifting equipment, man lifting or hole digging shall be classified as a Hydraulic Truck Driver (HTD).

Any employee who regularly operates any other vehicle not fitting the classification of Heavy Equipment Operator, Tractor-Trailer Driver or Hydraulic Truck Driver shall be classified as a Truck Driver (TD).

Any equipment can be operated by a journeyman and/or apprentice on temporary assignments while training to become journeyman.

Section 9. An employee upon completion of ten (10) years of continuous service with the Company, shall have his pay rate increased by five cents (5¢) per hour; upon completion of fifteen (15) years of continuous service by an additional five cents (5¢) per hour; upon completion of twenty (20) years of continuous service by an additional five cents (5¢) per hour; and upon completion of twenty-five (25) years of continuous service by an additional ten cents (10¢) per hour.

Section 10. Time off with pay will be allowed for employees serving on juries and for sickness or death in the employee's family according to present policies. Time off without pay may be allowed for a personal leave of absence according to present policies. Such policies may be amended by mutual agreement between the Company and Union.

Section 11. An employee whose scheduled shift begins between the hours of 12:00 noon and 5:00 a.m. shall be paid a premium of seventy (70) cents per hour actually worked at his straight time base rate of pay.

Section 12. The Company will provide space for the Union to post information in a location that is accessible to employees. Representatives designated by the Union have primary responsibility for posting of materials in these areas. Examples of appropriate information to be posted are as follows:

- . Union Meeting Notices
- . Union Affiliated Services
- . Union Social/Community Announcements
- . Union Endorsed AFL-CIO Information
- . Summary of Arbitration Rulings
- . IBEW International News

This is not an all-inclusive list of Union related information that may be posted. Additional types of information other than Union related may be posted when the Company and Union mutually agree.

ARTICLE 16

Grievance and Arbitration Procedure

Section 1. A grievance, as that term is used in this contract, means any dispute involving the proper application or interpretation of this Agreement, or a claim that an employee has been unreasonably and unjustly discriminated against.

Section 2. Each grievance which may arise shall be dealt with promptly in accordance with the following procedure:

STEP 1. Except as provided herein, a grievance shall first be presented within not more than five (5) days after it occurs to the immediate supervisor of the aggrieved employee, either by said employee or by the Union. A grievance involving application or interpretation of ARTICLE 17, Seniority, shall be presented within fifteen (15) days after it occurs in the same manner as provided above. Said supervisor shall answer the grievance within not more than three (3) days from the time it first is presented to him.

STEP 2. If the decision of the immediate supervisor is not satisfactory, then the aggrieved employee or the Union may present the grievance in writing to the designated organization unit head not later than five (5) days after the immediate supervisor has given his decision, and the organization unit head shall answer said grievance in writing not later than five (5) days after the same first is presented to him. Grievances shall not be written on Company time.

STEP 3. If the decision of the organization unit head is not satisfactory, then the aggrieved employee or the Union may present the grievance in writing to the Company's President, or to such representative as he may designate, not later than five (5) days after the organization unit head has given his decision on the grievance, and the President or his representative shall answer said grievance in writing, not later than five (5) days after the same first is presented to him.

Section 3. Any grievance not presented within the time limits specified in this article shall be conclusively deemed to have been waived. Failure of any Company representative to render a decision of a grievance presented to him within the time limit specified above shall, at the expiration of said time, be construed as constituting a declination of said grievance.

Section 4. In the event the Union is dissatisfied with the decision of the President or his representative on the grievance, it may invoke arbitration of said grievance by giving the Company written notice, within not more than ten (10) days from the date of the aforesaid decision, of a desire to arbitrate the grievance and request the Federal Mediation and Conciliation Service to submit a list of seven (7) persons, competent to serve as neutral arbitrators. Within thirty (30) days of receiving this list, the Union and Company shall alternately strike names until only one (1) name remains, who shall be the arbitrator.

The sole function of the arbitrator shall be to determine whether Company or Union is correct with reference to the proper application and interpretation of this Agreement and the arbitrator shall not have any authority to change, amend, modify, supplement or otherwise alter in any respect whatsoever this Agreement, or any part thereof.

Within thirty (30) days after receiving proposed dates from the arbitrator, the Union and Company shall set a time and place for hearing the parties. Following the hearing, the parties to this Agreement shall provide briefs to the arbitrator as agreed. The arbitrator shall render a decision in writing, within thirty (30) days after receiving the post-hearing briefs, unless an extension of time is mutually agreed to by Company and Union. A decision of the arbitrator shall be final and binding upon both parties.

Each party to the arbitration shall bear its own expenses, except that the fee and expenses of the arbitrator shall be paid equally by the Company and the Union.

ARTICLE 17

Seniority

Section 1. An employee shall be considered a probationary employee and shall not acquire any seniority until completion of one hundred fifty (150) work days in the employ of the Company. During such period, said employee's employment may be terminated at any time with or without cause. After such period, said employee shall be a regular employee and his seniority shall date from his original date of employment. If two or more employees have the same original date of employment, their relative seniority positions shall be determined by random draw.

Section 2. Employment shall be into one of the following skill areas:

1. Distribution Lineman
2. Transmission Lineman
3. Cable Splicer
4. Underground Network Tester
5. Substation Performance Electrician
- 5a. Substation Projects Electrician
- 5b. Shop Services Electrician
6. Meter Tester and Installer
- 6a. Meter Tester
7. Distribution Controller

8. Radio Communication Technician
9. Automotive Vehicle Technician
10. Material Handler
11. Appliance Repairman
12. Radio Communication Installer
13. Truck Driver

Employment or transfer into the Truck Driver skill area will be at the Truck Driver level. Employment or transfer into the Material Handler skill area will be at the Warehouseman-4 level. Employment, transfer, or assignment may be at a higher level as business needs dictate unless otherwise noted elsewhere in this Agreement.

Employees must serve at least six (6) months in the skill area into which they are newly hired before they become eligible for either promotion or transfer.

Individuals entering Skill Area 6a who have progressed to journeyman level or higher in Skill Area 6, Meter Tester and Installer, will be eligible for entry at the Meter Tester level. Other individuals entering Skill Area 6a will be eligible for entry at the Meter Tester Trainee level and will become eligible for promotion after satisfactory completion of six months in Skill Area 6a.

Employees hired or transferred into a skill area with an apprentice program must accept an apprenticeship if offered, employees hired or transferred into the Material Handler skill area must accept a Material Handler position if offered and employees hired or transferred into the Truck Driver skill area must accept an Hydraulic Truck Driver, Heavy Equipment Operator or Tractor-Trailer Driver position if offered; such employees thereafter must make satisfactory progress in the program or that skill area or they may be removed from the skill area in accordance with ARTICLE 6, Section 2. Such removal may be either by transfer or release.

When an employee is to be transferred to a different skill area, the Company shall ask for volunteers. If there are not sufficient volunteers, the positions will be filled by employees with the least seniority where ability, skill and qualifications are equal.

Employment, transfer, or temporary assignments into a skill area other than the employee's assigned skill area will be at the Helper-4 or Apprentice-1 level; however, should the Company determine that placement at a higher level may be appropriate, representatives from both the Company and the Union shall meet and make recommendations to the Company regarding the level of placement. The Company retains the authority to make the final decision.

When a Journeyman is cross training a Journeyman of another skill area or any Head Journeyman, the Journeyman will receive Head Journeyman pay. "Cross-training" is defined as training in the use or repair of a specific piece of equipment that is not taught in an available class, or training for a different defined skill group and shall not extend beyond one week.

Section 3. Job Posting - Employee Selection

- a. With the exception of entry-level positions, all openings for classifications listed in ARTICLE 18 will be posted in the appropriate skill area, Company wide, for a minimum of seven (7) consecutive calendar days. Postings are designed to notify potential candidates of open positions including location, schedule and shift. Where ability, skill and qualifications are equal, seniority shall govern. The Company shall determine ability, skill and qualifications, subject to an employee's right to assert a grievance under ARTICLE 16. For locations that have multiple shifts, schedules and/or work periods, except for Fleet Services, all employees within the skill area and location, will be notified and considered for openings (for lateral transfers only) prior to posting Company wide. If the position is not filled, or another opening is created at the location as a result of the lateral transfer(s), the resulting opening(s) shall be posted within skill area, Company wide, in accordance with this paragraph.

Employees who have made 2 voluntary moves through Company wide postings within the previous 12-month period will not be eligible for posting.

An employee requesting consideration for an opening will, upon request, be given the reason or reasons if he is not awarded that opening. Should the position not be filled through the notification/posting process described above, the Company may fill the open position as described in ARTICLE 17, Section 4 or re-evaluate the need for the position to meet business needs. The Company will attempt to fill open positions from within whenever and wherever possible.

- b. Employees requesting consideration for an opening will be selected in accordance with the selection guidelines developed by the Company. Selection guidelines will be reviewed by the Union and recommendations given to the Company. The Company agrees to give serious consideration to the Union's recommendations, but final selection guidelines and selections will be made by the Company.

Section 4. Temporary Positions/Assignments

- a. Promotions, Layoffs or Permanent Reductions in Force. Except as to Head Journeyman as described in ARTICLE 15, Section 6, in the event of promotions, layoffs, or a permanent reduction in the working force, where ability, skill and qualifications are equal, seniority shall govern. The Company shall determine ability, skill and qualifications, subject to an employee's right to assert a grievance under ARTICLE 16.
- b. Location Transfers. When Company determines to permanently or temporarily transfer employees from one location to another, Company will request volunteers and select the senior volunteers where ability, skill and qualifications are equal; if there are not sufficient volunteers with the required ability, skill and qualifications, Company will select the employees with the least seniority where ability, skill and qualifications are equal. Except that no employee will be required to make more than one permanent move in any twelve (12) month period. If subsequent transfers are necessary, the Company will select the employee(s) with the next lowest seniority until all

positions are filled, in accordance with this Section 4b, where ability, skill and qualifications are equal. The Company shall determine ability, skill and qualifications, subject to an employee's right to assert a grievance under ARTICLE 16.

- c. **Forced Moves.** In the event an employee is forced to permanently move from one location to another and/or one shift/schedule to another, the Company will allow such employee to choose the shift/schedule at that location, but not the crew, by seniority, where ability, skill and qualifications are equal.
- d. **Promotions to Non-Bargaining Unit Positions.** Promotions to positions not covered by the Agreement shall be within the sole discretion of the Company.
- e. **Temporary Promotions.** Temporary promotions may be made at the discretion of the Company. With the exception of temporary promotions made necessary because of illness, leaves of absence, or temporary assignments, a temporary promotion shall not exceed one-hundred and twenty (120) consecutive calendar days. Should the Company determine such a position is no longer temporary, the position will be posted in accordance with ARTICLE 17, Section 3 and filled within sixty (60) consecutive calendar days of that determination. Otherwise, at the end of this one hundred eighty (180) consecutive calendar days, the position will be discontinued.

Section 5. Subject to the conditions defined in Section 2 of this ARTICLE, an employee shall have the privilege, without loss of seniority, of refusing a job of higher classification; provided, however, that an employee having refused such job will have no right to thereafter assert a claim thereto, regardless of seniority, unless it is reoffered to him by the Company.

Section 6. Seniority and continuity of service shall be terminated when an employee quits or is discharged for cause.

If the employee has not quit or been discharged for cause, his seniority and continuity of service may be considered terminated where;

- a. An employee is laid off for a period exceeding one (1) year;
- b. An employee fails to return to work after the termination of an authorized leave of absence;
- c. An employee fails to report to work within three (3) scheduled days after notice to report to work;
- d. An employee is absent three (3) consecutive scheduled days without permission.

Section 7. The Company shall post on bulletin boards within ninety (90) days after the execution date of this Agreement a list showing the hiring date of each employee and will revise the same semi-annually. An employee may protest his seniority position within a period of thirty (30) days after the posting of such list, and if dissatisfied with Company action thereon may assert a grievance under ARTICLE 16; provided that failure to protest within said thirty (30) days shall constitute a waiver of any further right of protest, and the seniority position set forth in said list shall be conclusively deemed to be correct.

ARTICLE 18

Wage Scale and Classification

Effective upon ratification the wage scales and classifications of employees covered hereby shall be as set forth in the following schedule.

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Head Lineman (Lineman rate plus 1.40)	28.45	29.27	30.10
Lineman	27.05	27.87	28.70
Apprentice Lineman			
1st 6 months	19.48	20.06	20.67
2nd 6 months	20.56	21.18	21.81
3rd 6 months	21.64	22.29	22.96
4th 6 months	22.73	23.41	24.11
5th 6 months	23.54	24.24	24.97
6th 6 months	24.35	25.08	25.83
Head Cable Splicer (Cable Splicer rate plus 1.40)	28.70	29.52	30.35
Cable Splicer (Lineman rate plus 0.25)	27.30	28.12	28.95
Apprentice Cable Splicer			
1st 6 months	19.66	20.24	20.85
2nd 6 months	20.75	21.37	22.00
3rd 6 months	21.84	22.49	23.16
4th 6 months	22.94	23.62	24.32
5th 6 months	23.75	24.46	25.19
6th 6 months	24.57	25.30	26.06

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Head Underground Network Tester (Underground Network Tester rate plus 1.40)	28.61	29.43	30.26
Underground Network Tester (Lineman rate plus 0.16)	27.21	28.03	28.86
Apprentice Underground Network Tester			
1st 6 months	19.59	20.18	20.78
2nd 6 months	20.68	21.30	21.93
3rd 6 months	21.77	22.42	23.09
4th 6 months	22.86	23.54	24.24
5th 6 months	23.68	24.38	25.11
6th 6 months	24.49	25.22	25.98
Master Technician (Electrician rate plus 1.40)	28.45	29.27	30.10
Head Electrician (Electrician rate plus 1.40)	28.45	29.27	30.10
Electrician	27.05	27.87	28.70
Apprentice Electrician			
1st 6 months	19.48	20.06	20.67
2nd 6 months	20.56	21.18	21.81
3rd 6 months	21.64	22.29	22.96
4th 6 months	22.73	23.41	24.11
5th 6 months	23.54	24.24	24.97
6th 6 months	24.35	25.08	25.83

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Head Tester and Installer (Meter) (Tester and Installer rate plus 1.40)	28.45	29.27	30.10
Tester and Installer (Meter)	27.05	27.87	28.70
Apprentice Tester and Installer (Meter)			
1st 6 months	19.48	20.06	20.67
2nd 6 months	20.56	21.18	21.81
3rd 6 months	21.64	22.29	22.96
4th 6 months	22.73	23.41	24.11
5th 6 months	23.54	24.24	24.97
6th 6 months	24.35	25.08	25.83
Tester (Meter)	25.75	26.57	27.40
1st 6 months Trainee	23.54	24.24	24.97
Head Radio Communication Technician (Radio Communication Technician rate plus 1.40)	28.45	29.27	30.10
Radio Communication Technician	27.05	27.87	28.70

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Apprentice Radio Communication Technician			
1st 6 months	19.48	20.06	20.67
2nd 6 months	20.56	21.18	21.81
3rd 6 months	21.64	22.29	22.96
4th 6 months	22.73	23.41	24.11
5th 6 months	23.54	24.24	24.97
6th 6 months	24.35	25.08	25.83
Head Radio Communication Installer (Radio Communication Installer rate plus 1.40)			
	28.45	29.27	30.10
Radio Communication Installer			
	27.05	27.87	28.70
Troubleshooter (Lineman rate plus 0.50)			
	27.55	28.37	29.20
Head Automotive Vehicle Technician (Automotive Vehicle Technician rate plus 1.40)			
	28.00	28.82	29.65
Automotive Vehicle Technician (Lineman rate less 0.45)			
	26.60	27.42	28.25

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Apprentice Automotive Vehicle Technician			
1st 6 months	19.16	19.74	20.34
2nd 6 months	20.22	20.84	21.47
3rd 6 months	21.28	21.93	22.60
4th 6 months	22.35	23.03	23.73
5th 6 months	23.15	23.85	24.58
6th 6 months	23.94	24.67	25.43
Street Lighting Inspector	21.56	22.21	22.88
Head Appliance Repairman (Appliance Repairman rate plus 1.15)	27.75	28.57	29.40
Appliance Repairman (Lineman rate less 0.45)	26.60	27.42	28.25
Appliance Repairman			
1st Year	18.34	18.89	19.46
2nd Year	21.03	21.66	22.31
3rd Year	21.92	22.58	23.26
Head Material Handler (Material Handler rate plus 1.15)	24.04	24.73	25.44
Material Handler	22.89	23.58	24.29

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Material Handler			
1st 6 months	16.48	16.98	17.49
2nd 6 months	17.40	17.92	18.46
3rd 6 months	18.31	18.86	19.43
4th 6 months	19.23	19.81	20.40
5th 6 months	19.92	20.51	21.13
6th 6 months	20.60	21.22	21.86
Warehouseman	15.11	15.56	16.03
1st 3 months			
(Warehouseman - 4)	9.90	10.20	10.51
Next 6 months			
(Warehouseman - 3)	12.14	12.50	12.88
Next 6 months			
(Warehouseman - 2)	13.74	14.16	14.58
Heavy Equipment Operator	26.13	26.92	27.72
Tractor-Trailer Driver	22.16	22.82	23.51
Hydraulic Truck Driver	21.56	22.21	22.88
Truck Driver	20.39	21.00	21.63
Helper	17.83	18.37	18.92
1st 3 months			
(Helper-4)	12.16	12.53	12.90
Next 12 months			
(Helper-3)	14.48	14.91	15.36
Next 12 Months			
(Helper-2)	16.01	16.49	16.99

	Rate/Hour Effective On Ratification	Rate/Hour Effective 5/26/2004	Rate/Hour Effective 5/26/2005
Head Distribution Controller (Distribution Controller rate plus 1.15)	26.89	27.66	28.46
Distribution Controller	25.74	26.51	27.31
1st Year	18.09	18.63	19.19
2nd Year	20.74	21.36	22.00
3rd Year	22.78	23.46	24.17

ARTICLE 19

Partial Validity

If any part of this Agreement is rendered or declared invalid by reason of any existing or subsequently enacted legislation, valid government regulation or order, or by decree of a court of competent jurisdiction, the invalidation of such part of this Agreement shall not affect nor invalidate any of the remaining parts hereof and the same shall continue in full force and effect.

ARTICLE 20

Waiver and Complete Agreement

This Agreement, including all documents attached hereto, constitutes the sole and entire contract between Company and Union and eliminates, replaces, and supercedes any and all other agreements, obligations or practices, oral or written, express or implied, of any kind, and expresses all obligations and restrictions of the parties. The Company and Union waive the right to any further negotiations on any subject during the life of the Agreement and recognize that any modification of or addition to the rights and obligations established hereby can only result from mutual agreement, reduced to writing and executed by both parties.

ARTICLE 21

Term

This Agreement shall take effect upon May 26, 2003 and all provisions shall continue in full force and effect through May 25, 2006 and thereafter from year to year unless written notice of termination shall be given by either party to the other not less than ninety (90) days prior to May 25, 2006 or any subsequent anniversary of this Agreement. If either party desires to amend this Agreement, it shall give written notice thereof to the other party not less than ninety (90) days prior to May 25, 2006 or any other subsequent anniversary date thereof, in which event the parties shall commence negotiations of any proposed amendment as soon as practicable after the beginning of said ninety (90) day period.

The parties agree that should the Company determine that significant changes are required to the benefits plan designs for the calendar year 2006, the contract will be re-opened in April 2005 for the exclusive purpose of discussing wages and benefits. Should the Company determine that changes in benefits plan designs not warrant reopening the Agreement, a 3% wage increase will be granted on May 26, 2005.

IN WITNESS WHEREOF, this Agreement has been executed in duplicate original by the duly authorized officers of the parties hereto, this 22nd day of December, 2003.

LOCAL UNION NO. 66 OF THE
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO

By: Greg Lucero
Greg Lucero
Business Manager



CENTERPOINT ENERGY, HOUSTON ELECTRIC, LLC.

By: Tom Standish
Tom Standish
President and Chief Operating Officer

ATTEST:

By: AJ McCormac
AJ McCormac
Vice President of Human Resources and Labor Relations

Job Posting Process

The Company proposes to implement the following process as the exclusive way to post openings for IBEW 66 bargaining unit employees of CenterPoint Energy, Houston Electric.

- The Company will establish a local and toll-free phone number in order to list open jobs within the bargaining unit. Employees may call one of these numbers to learn about the open positions.
- Jobs will be posted for 7 consecutive calendar days. They will be added to the Job Posting Line by 10:00 a.m. each Monday morning and will remain until 10:00 a.m. the following Monday.
- Employees are responsible for calling either the local phone number or the toll-free number to learn of any available jobs during the week.
- The job posting information given on the phone line will include: The position, the location, the required skills for the job, the work period, the work schedule and shift, any other requirements for the job, the contact person's name, phone number and fax, and the deadline for applying.
- If an employee is interested in applying for a posted job, the employee must contact the contact name given and follow-up with a written application for the position within the deadline. (If the employee is out of town and will not return until after the deadline, an application may be completed for the employee by the job posting coordinator.)
- All applications submitted by the posting deadline will be delivered to the hiring manager for consideration. After the job posting period closes all initially qualified candidates will be contacted regarding the next steps in the process.
- The Company will maintain written records to the extent required by law of all applications received for job posted through this process.

-
- Management will evaluate this process as it is implemented and should it prove to be unsatisfactory or problematic reserves the right to modify the process as necessary.

HOUSTON LIGHTING & POWER COMPANY

P.O. BOX 1700
HOUSTON, TEXAS 77251-1700

THOMAS R. STANDISH
SENIOR VICE PRESIDENT

October 29, 1998

Mr. Rick Childers
Assistant Business Manager
IBEW Local No. 66
4345 Allen Genoa Road
Pasadena, Texas 77504

RE: Grievance on behalf of all HL&P Helpers

Dear Mr. Childers:

This is a proposal regarding the resolution, without precedent as to any other grievance or dispute, and without prejudice to the position of either party in any other grievance or dispute, of the referenced grievance filed by the Union dated June 25, 1998. The Company agrees to upgrade a helper, to truck driver when the employee is trained, licensed, and qualified to drive a truck rated more than 26,000 GVW when the employee is assigned by his supervision to drive the truck (with or without supervision present) because of operational requirements such as work load, and crew status. He will not be upgraded if he is permitted to drive out of desire to practice to otherwise volunteers to drive, or if he drives in a training capacity; as assigned by his supervision.

The Union will withdraw the grievance referenced above, both without precedence as to any other grievance or dispute, and without prejudice to the position of either party in any other grievance or dispute.

If the foregoing correctly reflects our understanding, please execute the attached copy and return to me retaining this copy for your file.

Sincerely,


Rick Childers

11-4-98
Date:

MEMORANDUM OF AGREEMENT

August 24, 1999

RE: Reliant Energy, Shared Services, Logistics Division New *Warehouseman* Position

A. BACKGROUND

This Memorandum of Agreement between **Reliant Energy, Shared Services Logistics Division** ("Company") and the **IBEW Local Union 66** ("Union") represents good-faith voluntary effort by the Parties to apply the Interest-Based (IBB) process, begun by the Company and the Union during the 1998 Labor Negotiations, to the new position of *Warehouseman*.

As such, this document represents a continuation of the "Letter of Agreement" (attached), dated October 1, 1998, that established the foundation for the new position and that directed a *Labor-Management Forum* team to develop the specific duties associated with this new position.

The Parties further agree that this IBB effort applies to this issue alone and does not affect the rights, positions, and obligations of the Company and/or the Union with regard to any provisions of the Collective Bargaining Agreement or with regard to any aspects of the Labor-Management relationship itself.

B. ESSENTIAL JOB FUNCTIONS

(attached)

C. INTENT OF THE COMPANY AND THE UNION

The *Labor-Management Forum* team who collaborated on this Memorandum of Agreement focused heavily upon the mutual interests of both Parties to reach consensus on exactly what a ***Warehouseman*** should or should not do. It is important to the success of this process that some of these key mutual interests (listed in no particular order) be understood by other employees who did not directly participate in these discussions.

1) Job Security

The new **Warehouseman** position is created for the purpose of helping to relieve some of the labor cost pressure on the Logistics Division. It is not created as a scheme to eliminate the present incumbent Material Handlers. Thus, the Material Handlers of record as of the date of this document are not to be displaced by new employees in the **Warehouseman** classification. The minimum ratio of 3 to 1 (Material Handlers to Warehouseman) was established as a bargaining-unit wide target to reflect this mutual interest.

Neither is the new **Warehouseman** position and this Memorandum of Agreement an assurance of any specific crew size within the Logistics Division. The *numbers* of Warehouseman and Material Handler employees needed will continue to be determined by the requirements of the Company and its strategic business units.

2) Promotion and Progression

- a. Since the **Warehouseman** position is intended to be entry level, it is designed for new employees who eventually may progress into a Material Handler position at some future date. As such, it is not expected to be as attractive a position (financially or otherwise) as the Material Handler.
- b. If a Material Handler position is posted and no employee bids on the job, a Material Handler ("1st 6 months") will be posted prior to posting for a **Warehouseman** (this position may be temporarily filled by a **Warehouseman** until a Material Handler Training class is begun).

3) Training

Some fundamentals training will be necessary in order for an employee in the **Warehouseman** position to be

successful. The Company and the Union pledge to jointly provide this training where and when needed.

4) **Decision-Making Responsibility**

By the very nature of the job, a *Warehouseman* should not be making the same kinds of decisions as a Material Handler. Generally, a *Warehouseman* is not expected to have the same degree of knowledge and skill and is not expected to exercise the same degree of judgment.

If, due to changes in the work process, the business, or technology, this degree of responsibility needs to be modified, the Company and the Union pledge to revisit this matter and to change the job accordingly.

5) **Mentoring by Journeyman Material Handlers**

While not "supervised" per se by the Journeyman Material Handlers, each individual *Warehouseman* is nevertheless "mentored" to the extent that training is provided, direction is given, and general assistance is available as needed. The determination of the amount and degree of this mentoring "oversight" is the responsibility of the Supervisor and/or Team Leader and the Head Material Handler and/or Material Handler.

6) **Cost Effectiveness and Flexibility**

- a. While the Company and the Union have collaborated to identify various combinations of duties and responsibilities to be assigned to the new Warehouseman, the need to be flexible and cost-effective is an important mutual interest and, depending upon the circumstances and the situation at a particular time and location, may require that exceptions be made from time to time.
- b. These exceptions are to be noted and monitored by the Parties and discussed on an ongoing basis as part of

the joint effort to assess the effectiveness of this Memorandum.

- c. Temporary Warehouseman may be assigned to locations as follows:
- to replace another employee who is absent due to illness, permission, or a temporary or special assignment
 - to add to the crew size because of a special job or project
 - due to alternate work schedule
 - due to needed experience or training

D. SUMMARY

The Parties understand the nature of the competitive pressures facing the Logistics Division as well as the need to continue to respond cost effectively and efficiently to the needs of Reliant Energy's internal clients. As future business requirements change, the ability of the Logistics Division to respond accordingly will determine its success.

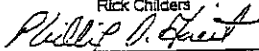
The Company and the Union mutually pledge to jointly monitor the effectiveness of the Logistics Division and its workforce on an ongoing basis and to focus particularly upon teamwork dynamics such as *trust, integrity, reliability, and communication*.

SIGNED AND
AGREED UPON BY THE COMPANY AND THE UNION
THIS 26th DAY OF August,
1999

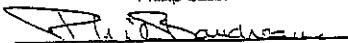
LOGISTICS LABOR-MANAGEMENT FORUM TEAM



Rick Childers



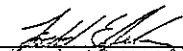
Phillip Guest



Phil Boudreau



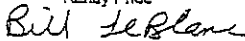
Chris Porter



Todd Johnson

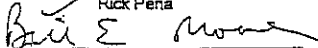


Randy Price



Bill LeBlanc

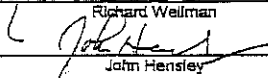

Rick Pena



Bill Moore



Richard Wellman



John Hensley

RELIANT ENERGY
Essential Job Functions

DATE: August 24, 1999

JOB TITLE: **Warehouseman - Levels 4,3,2 and Top Rate**

OCCUPATION CODE: FLSA Non-exempt (bargaining unit)

STRATEGIC BUSINESS UNIT: Shared Services, Logistics Division

POSITION REPORTS TO: > Team Leader, Logistics
> Head Material Handler

A. SUMMARY

Receives, stores, maintains, issues and ships material with or without using a bar code system under the oversight of at least a Journeyman Material Handler.

B. DUTIES AND RESPONSIBILITIES

1. Issues material to contractors and users; accepts returns of material
2. Receives material by unloading trucks and inspecting material for physical damage
3. Prepares material for shipment to other locations; posts necessary logs
4. Transports material among various warehouses and other locations (within limitations of Class C License)
5. Handles hazardous material as trained in the manner prescribed by law and Company policy
6. Operates material handling equipment such as forklifts, banding machines, hand trucks, shrink Wrapper, sweeper, and other tools in a safe manner after the appropriate training
7. Handles new and used equipment and materials in a safe manner; prepares repairable equipment for repair

8. Responds to emergency call out responsibilities 24 hour per day, 7 days per week as part of a Crew under the oversight of at least a Journeyman Material Handler
9. Maintains physical condition of warehouse dock and yard area to assure a safe working Environment
10. Use computer systems dealing with communication.
11. User Barcode System to put away (store), pick, and cycle count (Levels 3,2, and Top Rate only)
12. Other miscellaneous tasks and duties as may be assigned from time to time.

C. LIMITATIONS

1. **Warehouseman** at any level may not:
 - a) open or close a warehouse
 - b) operate cranes or booms
 - c) use computer to enter data or generate reports (i.e., SAP, spreadsheets, etc.)
 - d) be permanently assigned to locations with fewer than four (4) permanently assigned Material Handlers/Head Material Handlers
 - e) use Barcode System to receive any materials
2. **Warehouseman 4** may not use Barcode System

D. KNOWLEDGE, SKILLS, AND ABILITIES

1. Education

High School diploma or equivalent knowledge of reading, writing, English grammar, and mathematics. Obtain and maintain Class C Texas Driver's License.

2. Experience

- a) **Warehouseman 4** - None Required
- b) **Warehouseman 3** - Three (3) months of experience in warehouse operations plus demonstrated reliability, teamwork, and an aptitude for warehouse work. During

this period material handling equipment certification will be obtained and operating experience will be gained. On-the-job training under the oversight of Journeyman Material Handler.

- c) **Warehouseman 2** - Nine (9) months of experience in previous requirements with demonstrated knowledge of materials, material handling equipment certification and demonstrated proficiency in at least one duty area.
- d) **Warehouseman (Top Rate)** - Fifteen (15) months of experience in previous requirements with demonstrated knowledge and demonstrated proficiency in two (2) or more duty areas.

E. SPECIAL SKILLS/KNOWLEDGE/QUALIFICATIONS REQUIRED

- 1. Must have and maintain Class C Driver's License
- 2. Ability to
 - a) Learn materials management and purchasing procedures on receiving, storing, maintaining and issuing material
 - b) Use Barcode system
 - c) Check material for quantity, physical condition, weight capacity, and maintain logs
 - d) Check transformer for leaks and relocate tagged transformer for repair
 - e) Perform basic mathematics
 - f) Learn hazardous material handling procedures
 - g) Operate and inspect material handling equipment
 - h) Learn stock and non-stock materials

F. WORKING CONDITIONS

Work performed in a warehouse and an outdoor environment which requires bending, lifting, carrying and climbing with exposure to potentially hazardous conditions such as moving machinery, flammable solvents, hazardous material etc. Work is often performed at above ground elevations. Use and care of

personal protective safety equipment and common safety equipment (hard hat, goggles, gloves, safety belts, etc.) is critical. Some assignments require travel to multiple locations in all weather conditions or different working hours. May be required to work after hours to meet customer requirements or may be called out to work as part of a crew in emergency restoration situations.

WAREHOUSEMAN

August 24, 1999

TASK LIST BY DUTY AREA

1) CYCLE INVENTORY

- a. Count commodities using bar code tracker
- b. Identify incorrect or broken items

2) RECEIVING

- a. Assure that the truck is at the correct location
- b. Unload plant truck/pick-up, vendor trucks and freight trucks
- c. Check physical condition of material
- d. Check material against purchase order
- e. Check for standard packaging
- f. Count all material received
- g. Notify Head Material Handler of material needing inspection or pickup
- h. Deliver material to buildings in local area
- i. Notify Head Material Handler/Material Handler of overshipment or undershipment
- j. Modify Packing slip to reflect actual received
- k. Check material transfers for accuracy
- l. Place material in storage area
- m. Check in material returned from plants, crews, service centers, etc.
- n. Separate stock from nonstock material
- o. Repackage material received
- p. Complete receiving log if necessary
- q. Measure amount of gasoline in tank
- r. Assure gasoline tanker has been inspected (i.e. , leak tightness certificate)
- s. Assure vapor recovery line is connected to tank
- t. Pick up material from various warehouses and vendors

3) SHIPPING

- a. Check material for quantity and physical condition

- b. Pack material in crates, baskets, etc.
- c. Load material into trucks
- d. Assure loads are secured to truck
- e. Assure that the weight capacity of truck is not exceeded (gross weight not to exceed 26,000 lbs.)
- f. Operate all vehicles in compliance with Class C licensing
- g. Unload material at destination
- h. Repackage and apply labels for material to be returned
- i. Distribute copies of shipping document
- j. Package material by banding, palletizing, etc.
- k. Check off Shipping Request and ship materials for others
- l. Complete routing slip
- m. Maintain outgoing shipping log

4) STORAGE AND RETRIEVAL

- a. Measure and cut reeled wire
- b. Complete storage data sheets
- c. Operate material handling equipment (forklifts, pickers, etc.)
- d. Straighten material in bins
- e. Note bin problems (missing labels, disorder, ect.)
- f. Relocate material
- g. Indicate location of material on appropriate document
- h. Look up parts in spare parts catalog to determine location
- i. Pick material
- j. Remove obsolete material and send to Investment Recovery
- k. Hold material for pick up by requestor
- l. Issue meter cans and hardware to electrical contractors or customers
- m. Palletize returned meters
- n. Store green tag (failed) material until inspected

5) TRANSFORMERS

- a. Inspect for leaks and move leaking transformers to drain storage area
- b. Palletize transformers
- c. Complete transformer count sheet
- d. Complete transformer transfer from
- e. Separate categorized transformers

- f. Protect damaged transformers to prevent accumulation of water in unit
- g. Open transformers
- h. Pull samples for oil tests
- i. Bag transformers

6) PCB'S/HAZARDOUS WASTE

- a. Drain leaking transformers
- b. Mark and label barrels of PCB transformer oil with appropriate information as directed with proper training
- c. Sort transformers by PCB level and place in proper staging areas as directed
- d. Place leaking capacitors in barrels
- e. Hold barrels returned from contractors in the appropriate location for later disposition (contaminated material, damaged transformers)
- f. Open barrels to make sure they are full to the top; if not, fill with Sorbll

7) SAFETY

- a. Attend and participate in safety meetings
- b. Complete accident reports
- c. Inspect material handling equipment prior to use
- d. Inspect vehicles for inspection sticker and tags prior to use (Class C license)
- e. Perform all job functions in compliance with the Accident Prevention Manual
- f. Complete vehicle damage reports
- g. Check inspection date on rubber goods prior to issue
- h. Maintain physical condition of warehouse, dock and yard area to assure a safe working environment

8) ADMINISTRATIVE

- a. Answer telephones, take messages, and return calls
- b. Complete vehicle mileage logs
- c. Maintain various miscellaneous written logs

9) MISCELLANEOUS

- a. Assemble, disassemble, and maintain racks and bins
- b. Maintain cleanliness of warehouse, dock and yard area
- c. Complete equipment check-off lists
- d. Notify Head Material Handler/Material Handler of equipment malfunction
- e. Dump trash
- f. Perform miscellaneous inventory counts as directed
- g. Prepare reels tags as directed
- h. Remove wire from old reels
- i. Distribute mail
- j. Attend meetings and training
- k. Complete special projects as assigned

CRITICAL COMMUNICATION

B. Sub-section 10. Use of Computers.

In conjunction with the Letter of Agreement on the job duties of the Warehouseman Classification there was much discussion about their use of Computers. Item B. Sub-section 10, has a partial list of allowable computer usage items. The Team felt that some additional communication may be needed to help explain what was agreed on in Committee. It is as follows:

Computer use by any level of Warehouseman will be allowed for:

1. Lotus Notes and any attachments
2. Reliant Energy Communication Bulletin Board
3. Access to the Company Intranet
4. Intro to PC Skills Training Program
5. Intro to the Internet Training Program
6. The Storm Icon
7. Power Forms Program, and
8. MSDS (as needed).

Computer use by any level of Warehouseman will not be allowed to:

1. Generate Spread Sheets, or
2. Generate Reports from SAP, but the reports can be used once generated.

It is also agreed that if any of the current programs change, or if new programs are started the Team will get together and discuss if or where they may be used.

LETTER OF AGREEMENT

SUBJECT: Expansion of skill area 10 to include Warehouseman 4/3/2, Warehouseman

Because of competitive market pressures, there is a need to expand the current skill area. 1998 contract discussions have resulted in development of a Warehouseman job level. It is specifically understood that the position of Warehouseman is intended for new hires, or transfers into the Purchasing and Materials Management Department; no incumbent Material Handler will be placed into this position. Company and Union agree there will be no forced effort to reduce Material Handlers in order to reach the desired ratio. The desired ratio is as follows: To the extent possible, the ratio of Material Handlers (including Heads) to Warehouseman should be equal to, or more than 3 to 1, and that ratio will be determined based on the total number of Material Handlers (including Heads) and Warehouseman Company wide. This is a good faith target, as experience and changing business needs evolve, this ratio will be reviewed by the Labor/Management Forum and adjusted as appropriate. The Warehouseman job level is an entry level position into the Material Handler skill area.

Entry requirements:

High school diploma or equivalent knowledge of reading, writing, English grammar and mathematics and a valid Texas Drivers License.

Duties:

The particular duties and progression will be developed by a Labor/Management Forum, immediately after contract ratification. The duties will generally be manual labor oriented, under the oversight of at least a Journeyman Material Handler and require neither MMS (or its successor system) access nor decision making that would impact accounting records or create a liability for the company. It is understood that the bar code system will be utilized in some duty areas.

Training:

The Warehouseman position is intended to support the Material Handler job level and does not include a formal apprenticeship or training program. A Warehouseman must accept the placement into the Material Handler Training Program if offered.

Physical Requirements:

Ability to bend, lift, carry, climb, and perform work at above ground elevations. Potential exposure to hazardous conditions such as moving machinery, flammable solvents, hazardous materials, etc.

**MEMORANDUM OF AGREEMENT BETWEEN
BUSINESS MANAGER FOR IBEW, LOCAL 66**

**AND
GROUP VICE PRESIDENT, OPERATIONS OF
HOUSTON LIGHTING & POWER COMPANY**

As a result of good faith negotiations, the Company and the Union have mutually agreed as follows:

1. Tools broken or stolen, while working on Houston Lighting & Power company equipment, will be replaced by the Company. These tools will be replaced with like tools and will not normally include tools such as lineman's belts, safeties, hooks, and pads worn out through normal use.
2. "Savings Plus" loans will be allowed repayable over the maximum number of years the Government allows, five (5) years.

HOUSTON LIGHTING & POWER COMPANY

By Jack D. Greenwade
Group Vice President, Operations

**LOCAL UNION NO. 66 OF THE INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS AFL-CIO**

By Greg Lucero
Business Manager

Off Cycle Checks

If an employee's regular paycheck is short eight hours or more of straight time, or the equivalent of eight hours or more for time and one half, or double time, a special check will be prepared subject to the following conditions. The employee must notify supervision or the time administrator no later than noon on payday. Every effort will be made to prepare the check and have ready for pick-up at Reliant Energy Plaza by 5:00 PM on Payday. If Payroll is not able to prepare a check by 5:00 PM, the check will be processed and delivered on the following business day. If notification is received after noon on Payday, a check will be processed on the next Friday.

OFFICE MEMORANDUM

To: J.S. Brian

July 11, 1984

From: J.D. Greenwade 

Subject: UNION WAGES

Article XII, Section 4 of the Agreement between HL&P and IBEW Local 66 includes a provision for the rates of pay applicable when an employee is required to work sixteen (16) or more hours in any twenty-four (24) hour period.

In order to assure consistent application of this provision, the intent of this provision is as follows: If an employee is required to work sixteen (16) or more hours in a twenty-four (24) hour period, he will be paid at the prevailing rate for the first eight hours of work and at twice his regular base rate of pay for the remainder of the hours worked.

The "prevailing rate" is the rate of pay which would have applied had the employee not completed sixteen (16) or more hours of work within a twenty-four (24) hour period.

Time paid for, but not worked (callouts, rest periods, etc.) may not be listed in determining the number of hours worked within a twenty-four (24) hour period.

This information should be distributed among all supervisors of bargaining unit personnel.

lep

cc: J.G. Dewease
W.C. Miller
D.G. Tees
W.L. Huffman
G.V. Phillips

ALTERNATIVE WORK

This is to reflect on our agreement between H.L.P. and Local 66. It is specifically understood that this program shall apply to no one other than employees of Sub-Station Construction hi-vac oil processing crews for the purpose of transformer oil servicing and specific duty related to said procedure.

It is also understood that this in no way is to be construed as giving up our non-shift worker status.

It will consist of one crew reporting at regular time.

- 1st. - 7:30 a.m. - 4:00 p.m. (5-8 hr. day)
- 1st. - 6:30 a.m. - 5:00 p.m. (4-10 hr. day)

And a second crew starting at an alternative start time.

- 2nd - 4:00 p.m. - 12:00 midnight (5-8 hr. day)
- 2nd - 4:00 p.m. - 2:00 a.m. (4-10 hr. day)

Said second alternative crew will be paid the rate of 1-1/2 time the first day and straight pay thereafter, except as covered by the present agreement between H.L.P. and Local 66 for weekend work on 6 and 7 day or 5-6-7 day.

Employee must be notified before end of regular schedule work day prior to the day alternative start time begins. There will be no loss of pay while entering or exiting alternative start time. Pay on the first day will be at 1-1/2 time the normal rate with no straight time being paid on the first day.

Exiting the alternative start time will be accomplished by notification by the end of last alternative shift with the crew receiving a paid change over period for the first regular start time and reporting at start of next regular start time. (Example: crew notified last day of work week at alternative start time Monday. They report Monday and Tuesday at alternative time - job ends - they are notified Tuesday to return Thursday morning with Wednesday being paid one day straight time for change over period.

1-1/2 time will not be paid for Monday if it is a continuation of week before. If crew works second start time on Thursday and job ends change over period will be Monday or crew will be paid 1-1/2 time for 10 hours. Crew changes will be on Monday after each payday.

Houston Lighting & Power Company

OFFICE MEMORANDUM

To: Substation Performance Personnel

5/22/97

From: M.B. White *MBW*

Subject: Switching Performed by One Employee

Recently, concerns about one employee performing routine switching at substations was brought to my attention. A committee was formed with the charge to review our switching practices and make recommendations that would satisfy all parties concerns and business needs.

COMMITTEE:

Wayne Alsup
Randy Bain
Fred Naranjo
Don Oliver

In summary of their findings, one employee may be required to perform substation switching duties, but careful consideration will be taken when switching equipment as noted in the attached committee report. As in the past, any employee feeling he needs assistance in performing his switching duties, will always have the option of requesting that assistance. Whenever conditions allow, two or more employees will be utilized to perform routine switching.

Also, hand held radios (one per service center) will be made available for employees use while performing switching duties alone. This measure is to improve communication capabilities with the dispatcher in the event of an emergency.

These general guidelines do not change the policy of "call out" related switching. If the need for assistance arises during call out switching, contact the duty Crew Leader.

MBW/MBM
Attachment

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 1, Section 5 (Recognition)

PURPOSE OF COMMUNICATION: To increase understanding of the duties, roles, rights, and responsibilities of Stewards (or employees fulfilling responsibilities of Stewards)

COMMUNICATION SUMMARY:

1. Any Bargaining Unit employee who reasonably believes that an investigatory interview may lead to disciplinary action has the right to representation by a Union Steward. The employee has the right to refuse to participate in the interview when denied Union representation.

The Steward has the right to:

1. Conduct a pre-interview conference with the employee to determine the subject and purpose of the investigatory interview
 2. Take an active role in the employee's investigatory interview
 3. Request any and all information relied upon by management in making a decision
2. A Steward has the right to initiate meetings with management to discuss situations concerning contract or policy interpretation or application. The purpose of such a meeting is to avoid or preempt disputes; therefore, Supervisory personnel should respond to the meeting request as soon as possible.
 3. Stewards should in no way disrupt on-going work for the purpose of investigations or when performing their routine Stewardship responsibilities.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 4

PURPOSE OF COMMUNICATION: Contracting Work

COMMUNICATION SUMMARY: Contracting Work
(T&D and Shared Services
Supporting T&D only)

Before any voluntary/involuntary separation program, the Company and Union agree to work together to address work proposed to be done by contractors, to actively pursue alternatives to contracting work and to effectively utilize the Bargaining Unit workforce.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 7 (Safety)

PURPOSE OF COMMUNICATION: To clarify the intent of the 4th and 6th paragraphs of Article 7.

COMMUNICATION SUMMARY:

1. "Major Emergencies" are defined as: Any time the public or employees are in imminent danger of serious injury or death.
2. The intent of the "assistance" provision (paragraph 4) in Article 7 is to provide a safe environment for employees to work. This should not be used to avoid, exclude or categorize particular job responsibilities as safe or unsafe. The discretion is given to the employee as a safe working measure, and if this discretion is used accordingly and with prudent consideration, there should be no disciplinary or evaluation ramification. Also, should any employee ask for assistance, the assistance given will be from someone skilled in the area or, where applicable, someone qualified to provide the assistance, in which the work is to be performed.
3. The intent of the 6th paragraph is not to nullify the 5th paragraph. When energized work is being performed, the crew make-up should be of such that a helper is not placed in a position that is beyond his scope of training and qualifications which in turn could endanger him, the public or fellow employees. However, when certain occasions arise where the Head Journeyman and the Crew Leader agree that a helper (because of his training and skills) can safely contribute to the crew make-up, then such make-up is allowed.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 11 (Call Outs)

PURPOSE OF COMMUNICATION: To explain the intent of the call out language changes and the expectations.

COMMUNICATION SUMMARY:

The Company and Union realize that acceptance of calls and the prompt execution of work is needed. The expectation is that premium pay (double time for first 4 hours) will increase the acceptance of call outs, improve the response time on call outs, and result in prompt execution of work.

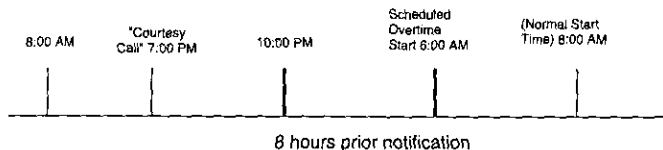
COURTESY CALLS

The intent of the Article 11 language on courtesy calls (calls for delayed response) is to benefit both the employee and the Company. By making courtesy calls within the designated time period, the Company is able to schedule the resources needed with minimal adverse impact on employees. To reinforce this intent and to curb abuses, a call which is not either for immediate response or within the courtesy call time period will result in additional compensation to the employee and the ability to track these incidents.

- The additional one hour of pay at one and one-half times the employee's regular straight time rate of pay is considered a penalty for failure to observe the agreed upon time period for courtesy calls. The penalty shall be paid in addition to any pay for hours worked and shall not be considered pyramiding.
- A bargaining unit employee who is contacted and instructed to assemble a crew will be paid at the prevailing rate for the hour spent making calls to assemble the crew. Pay will be determined in 30 minute increments for actual time spent making phone calls. This is considered "time actually worked" and is counted toward 16 hours worked in a 24 hour period.

CRITICAL COMMUNICATIONS
Article 11 (Call Outs)

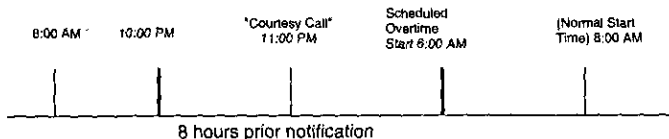
Example 1



- Regular work period start time is 8:00 AM.
- Employee is needed to report to work 2 hours prior to regular start time (6:00AM).
- Employee is called at 7:00 PM, eleven hours prior to re-scheduled start.
- Pay will be 2 hours @ double time (from 6:00 AM to 8:00 AM); then straight time thereafter, no loss of straight time pay.
- Courtesy call was made before 10:00 PM and more than 8 hours prior to scheduled start.

CRITICAL COMMUNICATIONS
Article 11 (Call Outs)

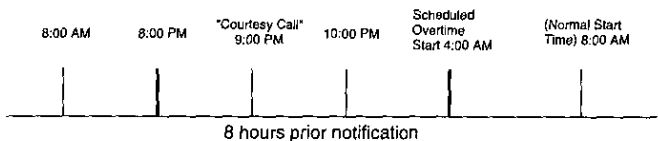
Example 2



- Regular work period start time is 8:00 AM.
- Employee is needed to report to work 2 hours prior to regular start time (6:00 AM).
- Employee is called at 11:00 PM, seven hours prior to re-scheduled start.
- Pay will be 2 hours @ double time (from 6:00 AM to 8:00 AM); then straight time thereafter, no loss of straight time pay.
- Employee will also receive one hour's pay at one and one-half time because call was made after 10:00 PM and less than 8 hours prior notification.

CRITICAL COMMUNICATIONS
Article 11 (Call Outs)

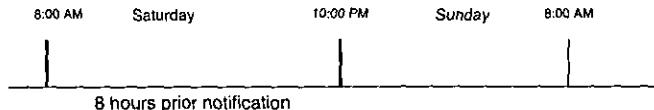
Example 3



- Regular work period start time is 8:00 AM.
- Employee is needed to report to work 4 hours prior to regular start time (4:00 AM).
- Employee is called at 9:00 PM, seven hours prior to re-scheduled start.
- Pay will be 4 hours @ double time (from 4:00 AM to 8:00 AM); then straight time thereafter, no loss of straight time pay.
- Courtesy call was made before 10:00 PM but less than 8 hours prior to scheduled report time; therefore employee will be paid one hour at one and one-half times regular rate of pay.

CRITICAL COMMUNICATIONS
Article 11 (Call Outs)

Example 4



- . Employee is needed to report to work on Sunday at 8:00.
- . "Courtesy" call is made between 8:00 AM to 10:00 PM, on Saturday to require employee to report to work Sunday at 8:00 AM.
- . Pay will be double time for all hours worked on Sunday.
- . Courtesy call was made before 10:00 PM and more than 8 hours prior to scheduled start.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 12, Section 1

PURPOSE OF COMMUNICATION: To further define certain terms.

COMMUNICATION SUMMARY:

Examples are given for each definition in the Agreement except "Work Day" and "Work Week"

Example Work Day:

If your regular shift starts at 08:00 then your work day, as defined, will be until 08:00 of the next day. That is the 24-hour period in the definition. This is regardless of your actual start time due to scheduled overtime or call out. If you were called out at 06:00 and worked until 16:30 you actually worked portions of 2 work days (06:00-08:00 is one and 08:00-16:30 is the other)

Example Work Week:

If your regular shift starts at 08:00 on Monday your work week is 168 consecutive hours and ends at 08:00 Monday of the next week.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 12, Section 4

PURPOSE OF COMMUNICATION: Meals on Normal Days Off

COMMUNICATION SUMMARY:

Employees who have an unpaid meal on their normal work day will observe an unpaid meal if scheduled to work their normal shift on a normal day off.

Employees who do not have an unpaid meal on their normal work day will not be required to observe unpaid meals when scheduled to work on a normal day off.

When an Employee is properly notified to report to work on a normal day off, the Employee "will" be allowed meals as if it were a regular work day.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 12, Section 4 (Meals)

PURPOSE OF COMMUNICATION: To explain opportunity to eat meal.

COMMUNICATION SUMMARY:

There are two provisions related to meals in this section. One is monetary allowance and the other is the opportunity to eat the meal. The time at which an employee qualifies for the monetary allowance is not necessarily the time the employee will be allowed to eat. Reasonable intervals to eat meals will be based on work schedules, safety impacts, customer response requirements, and the scope of the work activities.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 12, Section 6
(Pyramiding)

PURPOSE OF COMMUNICATION: Explain pyramiding

COMMUNICATION SUMMARY:

Pyramiding is defined as when two or more rates of pay apply to the same hours worked. An employee that has qualified for premium pay (i.e.: 1-1/2 or 2 time) during hours normally paid at straight time rates the employee will be paid only the premium rate.

The 1 hour at time and one-half pay for improper notification for delayed reporting is not considered pyramiding.

Pyramiding is allowed only under the conditions stated in Article 10 (High Work).

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE:	Article 15
PURPOSE OF COMMUNICATION:	One Man Crews
COMMUNICATION SUMMARY:	ONE MAN CREWS (HL&P ONLY and Shared Services Supporting HL&P)

The Company and the Union have agreed to the following conditions for the HL&P Division, and Shared services supporting the HL&P Division related to one-man-crews and upgrades to Head Journeyman.

1. Journeymen Meter Testers & Installers will be paid at the Head Journeyman rate during the time when working alone for distribution.
2. In work locations that have a staff of not more than two employees, consisting of one Head Journeyman and one Journeyman, whenever the Head Journeyman is absent from work the Company will do one of the following:
 - Transfer any head of a craft to fill the position on a temporary basis;
 - Transfer a Journeyman and upgrade the permanent assigned Journeyman to Head;
 - The Journeyman would continue to perform Journeyman level work.

In work locations that have a staff of not more than one Head Journeyman, whenever he is temporarily absent from work and replaced, the replacement will be upgraded to Head Journeyman.

In work locations that have a staff of not more than one Journeyman, whenever he is absent and replaced, there will be no upgrade for replacement;

5. In work locations, such as, Operations Support Shops that have supervision on site, whenever the Head Journeyman is absent, any upgrade to Head Journeyman will be determined by Management.

Head Journeyman refers to any head of a skill area and Journeyman refers to a equivalent positions in a skill are per Article 18 of the Agreement.

CRITICAL COMMUNICATIONS

- CONTRACT REFERENCE:** Article 15, Section 2
- PURPOSE OF COMMUNICATION:** To clarify that under the provision of Article 15, Section 2, employees in warehouseman classifications are considered employees eligible for the Warehouse Training Program.
- COMMUNICATION SUMMARY:**
- When a Warehouseman is working under the direction of a Material Handler, without responsible supervision or Head Material Handler on site, the Material Handler will be paid at Head Material Handler rate.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 15, Section 7

PURPOSE OF COMMUNICATION: To explain use of field patrol teams in storms and vehicle use.

COMMUNICATION SUMMARY:

During major storms, non-bargaining unit employees will be used to patrol areas and report specific locations of trouble but will not be involved in restoration of service or repair of facilities. These employees may use any Company vehicle for which they are licensed except those that require DOT Certification.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 17, Section 3

PURPOSE OF COMMUNICATION: To describe components of Selection Guidelines

COMMUNICATION SUMMARY:

Copy Article 17, section 3, #2

Components of "Selection Guidelines" may include items like the following:

- . Job Descriptions
- . Performance Appraisal Forms
- . Performance Criteria
- . Selection Criteria

Employees requesting consideration for an opening will be selected in accordance with the selection guidelines developed by the Company. Selection guidelines will be reviewed by the Union and recommendations given to the Company. The Company agrees to give serious consideration to the Union's recommendations, but final selection guidelines and selections will be made by the Company.

Reasonable time will be allowed for interested individuals to decide whether or not to request consideration for lateral transfers to newly-opened positions.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 17, Section 3

PURPOSE OF COMMUNICATION: Job Posting

COMMUNICATION SUMMARY: For the Fleet Services only:

For Fleet Services only

Before completion of the apprentice program, all apprentices will be assigned to an evening shift where the apprentices will turn out a journeyman Automotive Vehicle Technician.

CRITICAL COMMUNICATIONS

CONTRACT REFERENCE: Article 18

PURPOSE OF COMMUNICATION: Distribution Dispatcher

COMMUNICATION SUMMARY:

1. In the negotiations of 1993 both the Distribution Dispatcher and the Material Handler were tied with the Lineman classification and it was felt that the percentage difference between them and the Lineman should be no less than 92% for the Distribution Dispatcher and 83% for the Material Handler.
2. In this years negotiations it is agreed to untie the Distribution Dispatcher from the Lineman Classification.
3. It is agreed that we will look at the market and the percentage difference and renegotiate when the difference between the Lineman is less than or equal to 95% for the Distribution Dispatcher and 83% for the Material Handler.
4. There will be a one time adjustment for the Distribution Dispatcher of 40¢ will be added to the present rate immediately preceding the contract increase of May 26, 2000.

**NO JOB IS IMPORTANT ENOUGH
TO INVOLVE A SACRIFICE
OF SAFE WORK PRACTICES**