

NEGOTIATION SUMMARY  
WEDNESDAY, September 3, 2008

JOINT STEERING COMMITTEE

**Union Members:** Louis Correa, Chair (132); Michael Barber, 1<sup>st</sup> Chair (132); Jacquilin Allen, 2<sup>nd</sup> Chair (995); Nancy Logan, Recording Secretary (132); Art Frias, (132); Roy Bozarth (483); Rick Lankford ( 47); Ken Balderama (132); Marvin Turner (350); Randy Fort (170); George Garcia (70); Bernardo Garcia (UWUA); Dave Sherman (522); John Lewis (ICWUC).

**Company Present:** Sue Bosworth; Sara Franke; John Prince; Jim Rapose; Manny Alvarado; Mike Baldwin; Herman Aguilar.

Start time: 1:23 pm with management

**Acceptance on U-77**

**Employees in Specialist positions within Transmission and Storage will have progression bid rights when bidding to the same job title in either Transmission and/or Storage.**

**Company Counter Proposal for U-1 Section 1.6**

**The Union agrees not to intervene in local, state or federal regulatory or administrative hearings, proceedings or investigations or with financial institutions for purposes of opposing SoCalGas or undermining its business interest. Both parties recognize, however, that from time to time the Union and SoCalGas may be on opposing sides of issues and agree that in such circumstances full discussion of such differences will take place beginning at least 90 days before such differences appear in the public forum.**

**Life Insurance:**

**Appendix H – The Life Insurance Plan document for Southern California Gas Company represented employees has been amended and restated to reflect administrative and legal updates. The amended Plan document does not in any way change benefits afforded to employees under the current Life Insurance plan provisions. The updates are merely administrative and legal in nature in order to comply with current, applicable laws and regulations.**

**COMPANY COUNTER to:**

**U-87 (vesting enhancement-pension plan)**

**C-93 (auto escalation-401K plan)**

U-88 (survivor benefit-pension plan)  
C-90 (cash balance for new hires)  
U-91 (profit sharing-401K plan)  
U-92 (educational meetings)

U-100 (life insurance plan)  
C-107 (updated pension plan)  
C-108 (updated 401K plan)

The Company will enhance the current, traditional Pension Plan for existing employees effective January 1, 2009 as follows:

- Accelerate vesting time from 5 years to 3 years as set forth in the Company Counter to U-87 dated August 5, 2008.
- Increase the surviving spouse benefit as follows: change the pre-retirement death benefit for married participants to provide the full amount that the participant would have received had they commenced payment of the benefit on the day before they died as set forth in the Company Counter to U-87 and U-88 dated August 5, 2008.
- Transition all existing, unvested employees (i.e., employees who are not vested in the existing traditional plan, as per Appendix D, prior to January 1, 2009) to the Cash Balance plan as set forth in the Company Counter to U-87 and U-88 dated August 5, 2008 (This offer is in response to interest expressed by the Union when the original proposal was discussed.)
- The Company will increase the percentage of final average earnings by 1.25% per year for service years greater than thirty-five (35) but less than or equal to forty (40) in response to the Union's proposal U-87
- Eligibility for an incentive contribution of up to 1% of straight-time earnings (excluding overtime, premiums and other non-straight-time compensation) to employee 401K plans, based on achieving Company established performance targets will be extended to bargaining unit employees as set forth in the attached handout and as proposed by the Union in its counter to U-91.
- Increase the employee 401K deferral limit from 25% to 50% as set forth in the Company's counter to U-91.

The above items are contingent on the Union accepting the following:

- C-90 which would establish a cash balance pension plan for certain employees as set forth in the company proposal
- C-93 which would provide the ability to implement an auto escalation feature for the 401K plan.
- C-107 which updates Appendix D as it relates to Pension and Life Insurance benefits.
- C-108 which updates Appendix E retirement savings plan
- The Union will withdraw U-91 related to Company match
- The Union will withdraw U-92 related to 401K educational meetings
- The Union will withdraw U-100 related to Life Insurance

C-107 Proposed Traditional Pension Plan Enhancement Section 6.2

- **(1) If the Participant has thirty-five (35) years of credited service, 47.25% of the Participant's average monthly earnings. The 47.25% shall be reduced 1.0% for each Year of Credited Service less than thirty-five (35) but greater than or equal to thirty (30) but greater than or equal to twenty (20) further reduced 1.25% for ear year of credited service less than twenty (20) but greater than or equal to fifteen (15) and further reduced 1.50% for each year of credited service less than fifteen (15) but greater than or equal to one (1). The 47.25% is increased 1.25% for each year of credited service greater than thirty-five (35) years but less than or equal to forty (40) years and 1.0% for each year of credited service over (40) years.**

### **C 108 Employer Incentive Contribution**

**For each Plan Year, the Company shall establish targets and goals for the award of an employer incentive contribution. Such employer incentive contribution may be determined as an aggregate dollar amount, an amount equal to 0% to 1% of the total base earnings of all participants entitled to an allocable share of such employer incentive contribution or on such other basis as the board of directors of the company determines in its discretion. If the set goals and targets are reached in accordance with the term of the employer incentive contribution guidelines to be established each plan year each participant who is employed as an eligible employee on the last day of such plan year shall receive an allocation of such employer incentive contribution, which shall equal a uniform percentage of each such participant's base earnings. The employer incentive contribution shall be made from the employer's current or accumulated earnings, as computed in accordance with accepted accounting practices, before deduction of federal income taxes and reserves for contingencies, if any, other than reasonable reserves of a type of character allowed or allowable as deductions for federal income tax purposes and before deduction of any contributions hereunder.**

**“The Unions will review and update their existing dues authorization form accordingly by or before December 31, 2008.”**

**COMPANY WILL ACCEPT U-12 – TERM OF THE CONTRACT FOR THREE (3) YEARS**

### **Modification to U-83G**

**Based on the Company interest in expanding roving main gangs and establishing a sub committee consisting of three (3) Union representatives and three (3) Company representatives to explore and establish additional roving main gangs.**

- The Company agrees to holding to a ratio of Company/Contract employees which would not exceed 25% contract employees per region
- The Company and the Union meet prior to December 31, 2008 to discuss and determine the implementation of additional roving main gangs based on the Company's recommendation.

**Company Counter to Union Counter U-76**

The Company proposes to accept and expand the portion of U-76 in which the union proposed that Administrative Clerks be allowed to bid to administrative positions outside of their progression as long as they are not rated less than satisfactory and are the senior most qualified. The Company proposes to add the following Note to Appendix B:

**NOTE: All jobs in Administrative Support Job progressions will have progression bid rights to all other Administrative Support progressions.**

The Company is clarifying that we have separate bid numbers for all classifications requiring "knowledge of typing" and "qualified typist".

The Company is clarifying that a listing is available of Admin Clerk classifications that have a "bi-lingual" requirement which includes department and location.

The Union agrees to C-111 which modified Appendix B Job Index Listing Job Progressions and Layoff Areas.

The Counter proposal is contingent on the following:

- The Union will accept C-80 which changes the Leakage Control Clerk -3 job title to Admin Clerk-3.
- The Union will withdraw U-81 which is the Union's proposal regarding Appendix B
- The Union will accept C-113 and withdraw U-75 (both regarding Appendix A housekeeping)

**Revised Company Proposal C-78 – Bid Priorities – Lead Construction Technician to Planning Associate – Section Appendix B - The Company is modifying Appendix B to provide the Lead Construction Technician and the Pipeline Planning Assistant to have equal bid priorities to the Planning Associate position.**