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June 14, 2010

By E-Mail & U.S. Mail

Christopher Bissonnette, Senior Counsel
Labor and Employment
Southern California Gas Company
555 W. Fifth Street
Los Angeles, California 90013-1011

Re: AMI

Dear Mr. Bissonnette:

The Joint Steering Committee of the Utility Workers Union of America, AFL-CIO, and Locals 132, 170, 482, and 522, and the International Chemical Workers Union Council, UFCW, and Locals 47, 78, 350, and 995, has authorized the attached grievance, *if*, as it has threatened, Southern California Gas Company implements its proposed AMI plan on or after June 30, 2010.

The JSC has, in good faith, discussed AMI with the Company at the Company's request, even though AMI work will be work performed under the collective bargaining agreement. However, the Company has progressively used the AMI discussions to propose to take away rights and benefits already secured to employees under their labor contract and to conduct a classic union-busting campaign to frighten and agitate meter reading employees. The result – if the Company implements what it proposes – is a massive series of violations of the collective bargaining agreement detailed in the attached grievance.

The Company's AMI plan is, first and foremost, a violation of Section 2.1(B), which limits the Company's ability to contract out. Many of the other violations flow from this basic violation. The Company's offer to "*insource*" AMI work that is covered by the agreement in the first place and cannot be contracted out is corporate double-speak, plain and simple.

The Company's treatment of part-time employees in this proposal – and in general – is shameful. In a situation in which there will undoubtedly be fewer jobs down the road at the end of AMI installation, the Company seeks to ignore part-timer contract rights to bid for open jobs in favor of hiring from the street.



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The Company's proposals to make AMI a stand-alone agreement, to undermine important protections in the agreement, and to take away employee and union rights to enforce its terms effectively isolate meter reading employees as second-class Company citizens.

This is a grievance of a general nature under Section 6.8, Step 2(E). The JSC and JSC Chair John Duffy have authorized the filing of this grievance. By this letter, the JSC requests an immediate Step 2 meeting, and, if the Company intends to implement its proposal or any portion of the proposal which violates the agreement as set forth in the grievance, the JSC is prepared to proceed to arbitration *immediately*.

While the Company's campaign and unprecedented attention to the meter reading employees is new to them, in the Unions' experience and in my years of practice, we have all seen our share of materials prepared by high-priced consultants on union-busting. The Company's communications to meter reading employees are run-of-the-mill formula letters used by employers to split employees away from unions working to protect them. If the Company continues to believe it can implement its plan to gut the contract, the Company should be prepared to justify its plan to an arbitrator, instead of sending misleading communications to employees. The Gas Company Unions, through the JSC, are ready.

We will await your prompt response.

Very truly yours,


Ellen Greenstone

EG/dm

cc: John Duffy
Art Frias
Sam Weinstein

AMI GRIEVANCE

Description of Grievance and Collective Bargaining Sections:

AMI violates the following provisions of the collective bargaining agreement:

2.1(B) – Contracting Out

The existing contract does not allow the Company to contract out AMI work.

Some AMI work is performed by "fenced in classifications" for which sec. 2.1(B)(1) prohibits contracting out.

AMI work of removing and installing gas meters is "routine work" as defined in sec. 2.1(B)(2) which does not meet any of the exceptions for contracting out. Even if any of the exceptions applied, sec. 2.1(B)(2) would prohibit laying off any of the full-time meter readers ("No layoff of regular employees shall occur as a result of contracting out under the provisions of this section.").

AMI is not a "special project" under sec. 2.1(B)(3): It is not construction, building, or maintenance, which may be contracted out. AMI is part of the work of producing and distributing natural gas, which may not be contracted out.

5.10 – Position Opportunity and Placement

Because the Company may not lay off full-time meter readers, the Company may not require them to participate in an extra placement program which, before the program would give them any bidding priority, would require them to meet the job qualifications of a minimum of 5 job classifications, permit the Company to bid for jobs for them they may not want, and require them to take whatever temporary positions the Company chooses. Given the actual number of disability bidders, the Company's offer of "priority" bidding does not offer real, substantial bidding priority. The extra placement program is, rather, a series of requirements designed to disqualify and terminate full-time meter readers instead of retain them. Section 5.10(F) requires the Company to train employees after they successfully bid, not require them to pass training for jobs before they can bid into them.

1.1 through 1.4, 1.6, 1.9, 2.1(B), 2.2(A) – Peace Principles, Contracting Out, Recognition

Article I requires the Company to provide employees with "economic security." Article II recognizes the bargaining unit of all production and maintenance employees of the

Company. As a result:

The Company may not refuse to perform existing or additional/new DAP work outside the collective bargaining agreement or unit. The Company may not condition work which is part of the agreement on the Unions giving up their rights under Art. I and their statutory and constitutional rights to petition the government, including the PUC.

The Company may not require separate working conditions or a separate agreement for AMI employees.

The Company may not take away the economic security of existing employees by preferring contractors not allowed by the agreement or by preferring to hire from the street.

3.2 – Scope

The Company may not hire ETRs from the outside if there are current employees who wish to bid for ETR positions. Sec. 3.2 requires the Company to promote employees before the Company may hire from the outside.

The Company may not ignore the 6-month limitation on use of temporary employees. If the Company wants to work temporary employees beyond 6 months, the contract requires that the employees become permanent.

For the same reason, the Company may not ignore the 1989 Letter Agreement under which part-time employees who work more than 1560 hours in one year become full-time and under which a full-time position must be created where any combination of part-time employees work more than 1560 hours 2 years in a row.

3.9 – Classification Changes

The proposed wages violate the agreement's prohibition on the Company from reclassifying any employee for the sole purpose of lowering his or her salary or removing the employee from the bargaining unit.

Even if the proposed wages were really for a new classification, the Company would be obligated to negotiate the new classification with the Union, and, if they could not agree, an arbitrator would make a final determination.

7.1 – Seniority in Layoff

The Company may not ignore the layoff provisions of the agreement for AMI work.

Letter Agreement Part Time Employees, 6.8 – Grievance/Arbitration Procedure

The Company may not take away the right of part-time employees with 6 months of service to grieve discipline imposed on them and the requirement that the Company have cause to discipline. The Company may not take away the legal and contract rights of part-time employees to have full representation by their Unions.

Letter of Agreement p. 190, 6.8 – Grievance/Arbitration Procedure

The Company may not take away the right of part-time employees' bidding rights under Section 5.10 (Position Opportunity and Placement) and their right to challenge a denial of bidding rights.

Article VI – Dispute Resolution

The Company may not take away the Unions' rights to grieve violations of the collective bargaining agreement.

Remedy:

The Unions seek remedies which include, but are not limited to, the following:

a finding by the Arbitrator that the Company's planned/actual implementation of AMI in whole or in part violates the collective bargaining agreement, including a finding that the Company is not permitted to contract out AMI;

an order making whole all employees affected by the Company's planned/actual implementation of AMI for any violations of the collective bargaining agreement;

to the extent appropriate according to the Arbitrator's finding of a violation, interest arbitration of the wages, hours, and terms and conditions of any new classifications; and

any other general or specific relief consistent with the Arbitrator's findings.