



ORIGINAL

March 1, 2012

Commonwealth of Pennsylvania  
Public Utility Commission  
400 North Street  
PO Box 3265  
Harrisburg, Pa 17105

Attn: Secretary James McNulty

M-00940557

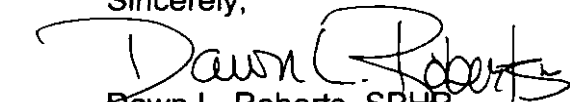
Dear Mr. McNulty:

Enclosed is our report on diversity efforts at Pennsylvania-American Water Company in accordance with 69.801 – 69.809 of the Pennsylvania Code.

Our report is broken into two sections. Section 1 covers the activities specifically related to our minority/women/persons with disabilities owned business program. Section 2 demonstrates our commitment to diversity and includes our Human Resources policies and practices that support our efforts.

Pennsylvania American Water Company is committed to providing employment, training, compensation, promotion, and other personnel practices without regard to race, color, religion, national origin, sex, age, disability, marital status, or status as a Vietnam-era, special disabled, or other covered veterans or other protected status. We are also dedicated to providing equal opportunity to all potential business partners through our supplier diversity policy.

Sincerely,

  
Dawn L. Roberts, SPHR  
SR. Human Resources Generalist  
Pennsylvania American Water

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SECRETARY'S BUREAU

**REPORT ON DIVERSITY TO THE PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

**PENNSYLVANIA-AMERICAN WATER COMPANY  
2012**

**REPORT TO THE PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

**PROCUREMENT SECTION**

**PENNSYLVANIA-AMERICAN WATER COMPANY  
2012**

**2011 REPORT ON DIVERSITY TO THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PROCUREMENT SECTION**

**PENNSYLVANIA AMERICAN WATER COMPANY**

**Feb 10, 2012**

## NARRATIVE ON M/W/DBE EFFORTS

### **THE PROGRAM**

PAWC is dedicated to providing equal opportunity to all potential business partners. It is the policy of PAWC to encourage and afford opportunities to diverse suppliers (including but not limited to Women Business Enterprises (WBE's), Minority Business Enterprises (MBE's), and Disabled Veteran Business Enterprises (DVBE's), while at the same time ensuring that the best combination of quality, service and price is provided in accordance with the highest ethical and professional standards.

PAWC recognizes the value of Supplier Diversity as a strategic business decision, and is committed to seek and identify diverse suppliers and offer them an equal opportunity to compete for contracts to supply materials and services with all other suppliers and contractors in the competitive marketplace. PAWC recognizes that an effective Supplier Diversity Policy broadens the supplier base, increases competition, and ensures that American Water receives the finest materials and services at the best available cost. During 2011, PAWC has made efforts to increase our number of diverse suppliers by both internal and external efforts.

### **INTERNAL EFFORTS**

American Water has developed a Supplier Diversity policy. This policy has been posted on American Water's Intranet, allowing all employees access to this important information.

The Supply Chain Department holds quarterly meetings to review current MWDVBE efforts in Pennsylvania and across the country, chaired by a Manager within the department. These meetings serve as a great vehicle for best practice sharing and benchmarking, as the meeting is attended by Supply Chain Managers from each of American Water's service regions, as well as a representative of the Military Services Group, the Supply Chain Operations Manager, Supply Chain Analysts, and a Supply Chain Strategic Sourcing Senior Buyer. Guest speakers also discuss the importance of diversity in Supply Chain and suggest innovative ways to increase MWDVBE exposure. Furthermore, these meetings assign internal action to improve target MWDVBE areas.

The Supply Chain Buyer working in Pennsylvania makes routine use of the Pennsylvania Department of General Services website to locate Minority and Women Owned Businesses for inclusion in sourcing efforts. Sourcing efforts also make use of CVM Solutions' Diverse Supplier Locator and Registration Portal to locate diverse suppliers for Pennsylvania.

### **EXTERNAL EFFORTS**

Specifically from a procurement perspective, American Water's Supply Chain Department continuously aims to increase the level of diversity participation. As part of American Water's Supplier Diversity Program, it has been established that at least one

MWDVBE and/or Small Business supplier should be included in at least 80% of every strategic sourcing process administered by the Supply Chain Department.

**SUBCONTRACTING EFFORTS**

Every Request for Proposal (RFP) distributed by American Water's Supply Chain Department asks potential suppliers to identify if they maintain a formal diversity program and their ability to report on second-tier MWDVBE spending. Unfortunately, many suppliers are unable to report on second-tier MWDVBE spending. Supply Chain to date has been successful only in capturing minimal, insignificant second tier spend from suppliers of goods. Efforts continue to correct this.

UTILITY PROCUREMENT DIVERSITY REPORT

As of December 31, 2011

Total Company Procurement	Minority \$ (MBE)	% of Total	Women \$ (WBE)	% of Total	Disabled \$ (DBE)	% of Total	Total \$ (M/W/DBE)	% of Total
\$326,303,651	\$81,235	0.02%	\$22,361,566	6.85%	\$0	0.00%	\$22,442,801	6.88%

WBE Spend includes both Third Party and Self-Certified classifications.

No Spend Breakdown is available for Goods vs. Services.

**REPORT ON DIVERSITY TO THE PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

**HUMAN RESOURCES SECTION**

**PENNSYLVANIA-AMERICAN WATER COMPANY  
2012**



**PENNSYLVANIA AMERICAN WATER  
WORKFORCE COMPOSITION  
2011**

**MALES**

**FEMALES**

Job Categories	MALES						FEMALES				
	Total	White	Black	Hispanic	Asian/PI	Native American	White	Black	Hispanic	Asian/P.I.	Native American
<b>Executive</b>	3	1					1	1			
<b>First and Midlevel Mgrs</b>	184	152	3	2			26	1			
<b>Professionals</b>	55	39	2				12	1		1	
<b>Technicians</b>	13	10	1				2				
<b>Sales Workers</b>	0										
<b>Office &amp; Clerical</b>	80	7	1	1			64	6			1
<b>Craft Workers</b>	318	282	10	3	1		21		1		
<b>Operatives</b>	423	360	14	7			39	2	1		
<b>Laborers</b>	0										
<b>Service Workers</b>	0										
<b>Total Workforce</b>	1076	851	31	13	1	0	165	11	2	1	1

**PENNSYLVANIA AMERICAN WATER  
WORKFORCE COMPOSITION  
2010**

**MALES**

**FEMALES**

Job Categories	MALES						FEMALES				
	Total	White	Black	Hispanic	Asian/PI	Native American	White	Black	Hispanic	Asian/P.I.	Native American
Executive	3	1					1	1			
First and Midlevel Mgrs	182	151	3	1			27	1			
Professionals	62	43	2				16	1			
Technicians	10	7	1				2				
Sales Workers	0										
Office & Clerical	76	6	1	1			61	7			
Craft Workers	321	286	9	4			21		1		
Operatives	423	356	15	7	1		41	2	1		
Laborers											
Service Workers											
<b>Total Workforce</b>	<b>1077</b>	<b>850</b>	<b>31</b>	<b>13</b>	<b>1</b>	<b>0</b>	<b>169</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>0</b>

**PENNSYLVANIA AMERICAN WATER  
WORKFORCE COMPOSITION  
2009**

**MALES**

**FEMALES**

Job Categories	MALES						FEMALES				
	Total	White	Black	Hispanic	Asian/PI	Native American	White	Black	Hispanic	Asian/P.I.	Native American
Executive	4	1	0	0	0	0	2	1	0	0	0
First and Midlevel Mgrs	185	155	3	2	0	0	24	1	0	0	0
Professionals	61	40	2	0	0	0	17	1	0	1	0
Technicians	16	12	2	0	0	0	2	0	0	0	0
Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Office & Clerical	79	6	1	1	0	0	64	7	0	0	0
Craft Workers	329	292	10	3	0	0	23	0	1	0	0
Operatives	434	365	16	7	0	0	43	2	1	0	0
Laborers	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0
<b>Total Workforce</b>	<b>1108</b>	<b>871</b>	<b>34</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>175</b>	<b>12</b>	<b>2</b>	<b>1</b>	<b>0</b>

**PENNSYLVANIA AMERICAN WATER  
WORKFORCE COMPOSITION  
2008**

**MALES**

**FEMALES**

Job Categories	MALES						FEMALES					
	Total	White	Black	Hispanic	Asian/PI	Native American	White	Black	Hispanic	Asian/P.I.	Native American	
Officials and Mgrs	174	149	3	2	0	0	20	0	0	0	0	
Professionals	44	27	1	0	0	0	14	1	0	1	0	
Technicians	14	10	2	0	0	0	2	0	0	0	0	
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	
Office & Clerical	47	4	0	0	0	0	40	3	0	0	0	
Craft Workers	313	277	10	3	0	0	22	0	1	0	0	
Operatives	429	359	17	7	0	0	43	2	1	0	0	
Laborers	2	2	0	0	0	0	0	0	0	0	0	
Service Workers	0											
<b>Total Workforce</b>	<b>1023</b>	<b>828</b>	<b>33</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>141</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>0</b>	

**PENNSYLVANIA AMERICAN WATER  
WORKFORCE COMPOSITION  
2007**

**MALES**

**FEMALES**

Job Categories	MALES						FEMALES				
	Total	White	Black	Hispanic	Asian/PI	Native American	White	Black	Hispanic	Asian/P.I.	Native American
Officials and Mgrs	170	147	4	2	0	0	17	0	0	0	0
Professionals	42	26	1	0	0	0	14	1	0	0	0
Technicians	2	0	0	0	0	0	2	0	0	0	0
Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Office & Clerical	44	6	0	0	0	0	36	2	0	0	0
Craft Workers	296	257	10	3	0	0	25	0	1	0	0
Operatives	427	356	17	7	0	0	44	2	1	0	0
Laborers	1	1	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0
<b>Total Workforce</b>	<b>982</b>	<b>793</b>	<b>32</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>138</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>0</b>

**NARRATIVE ON AFFIRMATIVE ACTION EFFORTS**

**Recruiting**

It is the policy of Pennsylvania American Water to undertake equal opportunity and affirmative action in compliance with all federal, state, and local requirements to recruit a diversified pool of applicants and to ensure that our employment practices are, in fact, nondiscriminatory.

Equal Employment Opportunity (EEO) is not a guarantee of employment. Under EEO law, only job-related factors can be used to determine if an individual is qualified for a particular job (see Appendix A for the Equal Employment Opportunity Policy).

Pennsylvania American Water values and promotes diversity in its workforce and aims to reflect the local communities it serves through the people it employs, wherever possible (see Appendix A for Staffing Policy).

Pennsylvania American Water makes a concerted effort to recruit females, minorities, veterans and disabled persons. To accomplish this, we notify minority and women's organizations, advertise and/or post positions as appropriate. We also gain the assistance of our current work force by encouraging employee referrals. Current employees can receive up to \$2,500 for referring qualified, successful candidates (see Appendix A for the Employee Referral Policy).

When the need arises to obtain talent outside of the local area, Pennsylvania American Water will provide relocation assistance. The level of assistance is determined by the salary grade of the position (see Appendix A for the Relocation Policy).

Recruiters attend seminars and conferences to maintain their knowledge and gather new ideas. In 2011, our recruiters performed many out reach activities. Please see attached list in Appendix B).

Four of the eight recruiters in Pennsylvania have obtained Senior Professional in Human Resources (SPHR) credentials from the Human Resources Certification Institute and one obtained the Professional in Human Resources (PHR). This certification establishes a level of proficiency in field of Human Resources. To obtain certification, each individual had to pass a four hour exam covering a variety of Human Resource subjects including recruiting. Each individual is required to re-certify every three years as proof of maintaining knowledge in Human Resources.

NARRATIVE ON AFFIRMATIVE ACTION EFFORTS

**Advertising**

In 2011, Pennsylvania American Water used the follow sources to obtain candidates.

- AHEDD
- CareerBuilder
- Chester County Intermediate Unit
- Community Action Program Employment Training
- Company web site
- Educational Opportunity Centers of Penna
- Employee Referrals
- EOTC (organization for individuals with disabilities)
- Governor's Veteran's Outreach
- Harrisburg Young Professionals
- Institute for Educational Activities (IDEA)
- Keystone Job Corp
- Lackawanna Human Development Agency
- League of Women Voters
- NAACP
- Native American Media
- Office of Vocational Rehabilitation
- PA Career Link
- Private Industry Council
- Scranton Business & Professional Women's Group
- Urban League of Pittsburgh
- United Rehabilitation Service
- Western PA Diversity Initiative

NARRATIVE ON AFFIRMATIVE ACTION EFFORTS

**Training**

The Human Resources Department is responsible for investigating and resolving employee complaints. In cases where it is determined that discrimination has occurred, prompt action is be taken by management to remedy the situation. Pennsylvania American Water has a strict No Retaliation Policy (see Appendix A) protecting employees who report alleged wrongful conduct.

Pennsylvania American Water provides all employees with the opportunity for on the job training, to attend seminars, and university classes to increase their skills. Employees are encouraged to use the Educational Assistance Policy. Pennsylvania American Water provides up to \$5,250 worth of tuition assistance for each employee per year. Appendix A for Tuition Assistance Policy).

As you can see, Pennsylvania American Water has in place, and has communicated to all employees, a strict policy forbidding harassment of any applicant or employee on the basis of race, color, religion, sex, national origin, age, disability, marital status, or status as a covered veteran and has provided a complaint procedure to report alleged harassment.



**NARRATIVE ON AFFIRMATIVE ACTION EFFORTS**

**Promotion**

Pennsylvania American Water strives to promote from within whenever possible. A change in position is considered a promotion if the individual moves to a higher salary grade level (see Appendix A for internal Job Posting Policy).

In 2011, Pennsylvania American Water promoted 37 employees.

- Western Pa – 21 promotion
- Central Pa - 10 promotions
- Northeast Pa - 6 promotions

NARRATIVE ON AFFIRMATIVE ACTION EFFORTS

**Retention**

Pennsylvania American Water believes that employee retention is extremely important. To assist in keeping our knowledgeable employees, we have instituted an Alternative Work Schedule Policy (see Appendix A). Our Workplace Conduct and Behavior Policy (see Appendix A) outlines our discipline process and demonstrates our commitment to a harassment free work environment. This is further established by our Violence Free Workplace Policy (see Appendix A).

Employees serving our country in the military have additional leave time granted to them (see Appendix A for Uniformed Service Leave Policy). Active service members servicing in Iraq or Afghanistan receive their regular base pay minus any pay received from the military for one year.

Pennsylvania American Water strives to provide a fair and competitive compensation package to our employees. The Corporate Human Resource staff administers the salary program including, job analysis, job evaluation, salary comparison, etc. (see Appendix A for the Compensation and Salary Administration Policy).

In 2011, we had 11 employees leave the organization, 4 retirements, 1 death, 1 leave of absence expired, and 5 voluntary resignations.

**WORKFORCE/SERVICE TERRITORY COMPARISON**

**Service Territory**

Pennsylvania American Water, a subsidiary of American Water, is the largest regulated water utility in the state providing quality water and/or wastewater services to over 2 million people across the state. Our service territory includes the counties listed below. A county's inclusion in the list indicates that a portion of the county is served not necessarily the entire county.

Adams	Columbia	Monroe
Allegheny	Cumberland	Montgomery
Armstrong	Dauphin	Northhampton
Beaver	Fayette	Northumberland
Berks	Indiana	Pike
Bucks	Jefferson	Schuylkill
Butler	Lackawanna	Susquehanna
Centre	Lancaster	Union
Chester	Lawrence	Warren
Clarion	Lebanon	Washington
Clearfield	Luzerne	Wayne
Clinton	McKean	York

<b>Rate Zone</b>	<b>Location</b>
1	Pittsburgh, McMurray, Mon Valley, Connellsville, Uniontown, Brownsville, California, Ellwood, New Castle, Butler, Indiana, Punxsutawney, Clarion, Kittanning, Warren, Kane, Norristown, Yardley, Abington, Susquehanna, Bangor, Hickory, Silver, Fairview, Tobyhanna, PAP, PFE, Summit Point, Pine Hill, Mechanicsburg, Hershey, Palmyra, Skyline, Milton, Philipsburg, Berwick, Frackville, Lemont, Scranton, Nesbitt, Hillside, Crystal Lake, Ceasetown, Watres, Back Mountain, Kopple, Independence, Cedar Grove, Strattanville, Center, Butler Twp, Fox Knoll, Lake Heritage, Connoquenessing, Glen Alsace, Jackson Wald, Amity, Penn, Home, Blue Mountain, Mid Monroe, Coatesville, Blue Mountain Lake, Redstone, Mountain Top, Rustic Acres, Palmer, Lehman Pike, Winona Lakes, Pine Ridge, Boggs, Wallaceton, Amwell, Saxonburg
30	Rustic Acres, Palmer, Lehman Pike, Winona Lakes, Pine Ridge
36	Pocono Farms Assoc
39	Boggs, Wallaceton, Amwell, Saxonburg
40	Nittany
41	Sutton Hills
42	Birch Acres
43	Applewood
44	Wildcat

**WORKFORCE/SERVICE TERRITORY COMPARISON**

**Relevant Labor Force**

Northeast, Central and Western Pennsylvania recruiters use a national recruitment territory for the EEO categories of Officials and Managers and Professionals. All other EEO categories draw from local territory.

On the next few pages contain a summary of our Labor Force. In addition, we have included a statistical analysis of our internal and external availability.

The purpose of this analysis is to estimate the percentages of minorities and females available for employment in each job group. The OFCCP has established two factors to be used by all companies when determining the availability (both internally and externally) of minorities and females. The first factor is data gathered from the U.S. Bureau of Census to determine availability based on Pennsylvania American Water's local and national recruiting patterns. The second factor required is the availability of minorities and women based on those employees promotable, transferable and trainable within Pennsylvania American Water. Pennsylvania American Water must then decide how important that factor is and assign a value weight to it. We have chosen to use the prior years recruiting experience to determine the weighting.

Included in these reports is the utilization analysis which compares the actual percentage of minorities and females in each job group with the calculated percentage availability of minorities and females to determine if minorities and females are "underutilized" in any job group. "Underutilization" is defined as "having fewer minorities or women in a particular group than would reasonably be expected by their availability." Based on this information we determine our goals for the next year.

**Labor Force Comparison**

The following reports are from our Affirmative Action Plans.

**AMERICAN WATER COMPANY**  
**Job Group Analysis Summary**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,34 - AWC - PA CENTRAL

<i>Job Group</i>	<i>Total Employees</i>	<i>Female</i>		<i>Minority</i>	
		<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
001.2 - FIRST/MID LEVEL MANAGERS AND SUPERVISORS	64	9	14.06	1	1.56
002 - PROFESSIONALS	21	8	38.09	3	14.28
003 - TECHNICIANS	3	1	33.33	0	0.00
005 - OFFICE AND CLERICAL	23	21	91.30	3	13.04
006 - CRAFT WORKERS (SKILLED)	66	3	4.54	3	4.54
007 - OPERATIVES (SEMI-SKILLED)	71	9	12.67	6	8.45
<b>Totals</b>	248	51	20.56	16	6.45

**AMERICAN WATER COMPANY**  
**Job Group Analysis Summary**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,35 - AWC - PA NORTHEAST

<i>Job Group</i>	<i>Total Employees</i>	<i>Female</i>		<i>Minority</i>	
		<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
001.2 - FIRST/MID LEVEL MANAGERS AND SUPERVISORS	30	2	6.66	0	0.00
003 - TECHNICIANS	1	0	0.00	0	0.00
005 - OFFICE AND CLERICAL	7	5	71.42	0	0.00
006 - CRAFT WORKERS (SKILLED)	103	4	3.88	2	1.94
007 - OPERATIVES (SEMI-SKILLED)	125	8	6.40	5	4.00
<b>Totals</b>	266	19	7.14	7	2.63

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 001.2 - FIRST/MID LEVEL MANAGERS AND SUPERVISORS

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
095	SUPVR FIELD OPERATIONS	1	2.38	0	0
096	SUPVR PRODUCTION	1	2.38	0	0
098	SUPVR FIELD OPERATIONS	1	2.38	0	0
098	SUPVR PRODUCTION	1	2.38	0	0
101	SUPVR FIELD OPERATIONS	3	7.14	0	1
104	SUPVR FIELD OPERATIONS	1	2.38	0	0
105	SUPVR PRODUCTION	1	2.38	1	0
106	SUPVR FIELD OPERATIONS	1	2.38	0	0
109	MGR FIELD OPERATIONS (MEDIUM)	1	2.38	0	0
109	SUPT FIELD OPERATIONS	1	2.38	0	0
109	SUPVR CROSS CONNECTION	1	2.38	0	0
109	SUPVR FIELD OPERATIONS	6	14.28	1	0
111	MGR PRODUCTION	1	2.38	0	0
112	MGR FIELD OPERATIONS (MEDIUM)	1	2.38	0	0
112	MGR PRODUCTION	1	2.38	0	0
112	SUPT FIELD OPERATIONS	1	2.38	0	0
112	SUPT PRODUCTION	1	2.38	0	0
112	SUPVR FIELD OPERATIONS	4	9.52	1	0
117	SUPVR FIELD OPERATIONS	1	2.38	0	0
122	SUPT FIELD OPERATIONS	1	2.38	0	0
122	SUPVR FIELD OPERATIONS	3	7.14	0	1
123	SUPVR FIELD OPERATIONS	1	2.38	1	0
124	MGR PRODUCTION	1	2.38	0	0
162	SUPT PRODUCTION	1	2.38	0	0
163	MGR FIELD OPERATIONS (MEDIUM)	1	2.38	0	0

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 001.2 - FIRST/MID LEVEL MANAGERS AND SUPERVISORS

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
210	SUPT FIELD OPERATIONS	1	2.38	0	0
210	SUPVR FIELD OPERATIONS	2	4.76	1	0
215	SUPVR PRODUCTION	1	2.38	1	0
229	SUPVR PRODUCTION	1	2.38	0	0
<b>Total #</b>		42		6	2
<b>Total %</b>				14.28	4.76



**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 002 - PROFESSIONALS

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
098	PROJECT MGR ENGR	1	5.26	0	0
103	ENGR CONTROLS (SCADA)	1	5.26	0	0
109	HR GENERALIST	1	5.26	1	0
109	PROJECT MGR ENGR	2	10.52	0	0
109	SPEC EXT AFFAIRS (STATE)	1	5.26	1	0
109	SPECIALIST HUMAN RESOURCES (N)	1	5.26	1	0
109	SR HR GENERALIST	1	5.26	0	0
109	SR PROJECT ENGR	1	5.26	0	0
109	SR PROJECT MGR ENGR	1	5.26	0	0
109	SR SPECIALIST ORM	1	5.26	1	0
110	ENGR CONTROLS (SCADA)	1	5.26	0	0
110	PROJECT MGR ENGR	2	10.52	0	0
112	PROJECT MGR ENGR	1	5.26	0	0
119	ENGR CONTROLS (SCADA)	1	5.26	0	0
124	SR HR GENERALIST	1	5.26	1	0
127	SR HR GENERALIST	1	5.26	1	0
161	ENGR CONTROLS (SCADA)	1	5.26	0	0
<b>Totals</b>		<b>Total #</b>	19	6	0
		<b>Total %</b>		31.57	0.00

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 003 - TECHNICIANS

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
101	SR SPECIALIST NRW (N)	1	16.66	0	0
109	SR SPEC CROSS CONNECT (N)	1	16.66	0	0
109	SR SPECIALIST NRW (N)	1	16.66	0	1
110	SR SPEC CROSS CONNECT (N)	1	16.66	0	0
112	SR SPECIALIST NRW (N)	1	16.66	0	0
118	SR SPEC CROSS CONNECT (N)	1	16.66	0	0
<b>Totals</b>					
	<b>Total #</b>	6		0	1
	<b>Total %</b>			0.00	16.66

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN  
**Job Group:** 005 - OFFICE AND CLERICAL

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
101	DISTRIBUTION RECORDS CLERK	1	9.09	0	0
109	ADMIN ASST (N)	1	9.09	1	0
109	DISTRIBUTION RECORDS CLERK	1	9.09	1	0
109	EXEC ASST (N)	1	9.09	1	0
109	MATERIALS CLERK	5	45.45	5	0
109	UTILITY CLERK	2	18.18	2	0
<b>Total #</b>		11		10	0
<b>Total %</b>				90.90	0.00

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 006 - CRAFT WORKERS (SKILLED)

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
095	OPERATOR/MAINT MAN/PERSON	2	3.77	0	0
096	HELPER/RELIEF OPERATOR	2	3.77	0	0
096	MAINTENANCE PERSON	1	1.88	0	0
096	OPERATOR	4	7.54	0	2
098	OPERATOR	1	1.88	0	0
098	OPERATOR/RELIEF OPERATOR	2	3.77	0	0
105	MAINTENANCE PERSON	1	1.88	0	0
105	OPERATOR	4	7.54	1	0
106	OPERATOR	2	3.77	0	0
109	OPERATOR/MAINT MAN/PERSON	2	3.77	1	0
112	DISTRIBUTION SYSTEM SERVICEMAN	7	13.20	2	1
112	SR SPECIALIST MAINT SERVICE(N)	1	1.88	0	0
123	OPERATOR/MAINT MAN/PERSON	1	1.88	0	0
161	SR SPECIALIST MAINT SERVICE(N)	2	3.77	0	0
209	OPERATOR/MAINT MAN/PERSON	1	1.88	0	0
209	OPERATOR/RELIEF OPERATOR	1	1.88	0	0
215	ASST. MAINTENANCE PERSON	2	3.77	0	0
215	MAINTENANCE PERSON	1	1.88	0	0
215	OPERATOR	4	7.54	1	0
229	ASST. MAINTENANCE PERSON	1	1.88	0	0
229	MAINTENANCE PERSON	1	1.88	1	0
229	OPERATOR	4	7.54	0	0
278	LEAD PLANT OPERATOR	1	1.88	0	0
278	PLANT OPERATOR	2	3.77	0	0
289	LEAD PLANT OPERATOR	1	1.88	0	0

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 006 - CRAFT WORKERS (SKILLED)

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
289	WASTEWATER OPERATOR	2	3.77	0	0
<b>Totals</b>		<b>Total #</b>	53	6	3
		<b>Total %</b>		11.32	5.66

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN  
**Job Group:** 007 - OPERATIVES (SEMI-SKILLED)

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
095	SUBFOREMAN	1	0.62	0	0
095	UTILITY PERSON	4	2.51	0	0
098	GENERAL SERVICEMAN/PERSON	1	0.62	0	0
098	SUBFOREMAN	1	0.62	0	0
098	UTILITY PERSON	3	1.88	0	0
101	BACKHOE OPERATOR	3	1.88	0	0
101	GENERAL SERVICEMAN/PERSON	4	2.51	0	0
101	METER READER	4	2.51	2	0
101	SUBFOREMAN	3	1.88	1	0
101	UTILITY PERSON	10	6.28	0	2
104	GENERAL SERVICEMAN/PERSON	1	0.62	0	0
104	METER READER	1	0.62	1	0
104	UTILITY PERSON	6	3.77	0	0
106	SUBFOREMAN	1	0.62	0	0
106	UTILITY PERSON	2	1.25	0	0
107	GENERAL SERVICEMAN/PERSON	1	0.62	0	0
107	SUBFOREMAN	1	0.62	0	0
107	UTILITY PERSON	2	1.25	0	0
109	BACKHOE OPERATOR	3	1.88	0	0
109	GENERAL SERVICEMAN/PERSON	8	5.03	2	1
109	METER READER	8	5.03	2	1
109	METER REPAIRER	1	0.62	0	0
109	SUBFOREMAN	3	1.88	1	0
109	UTILITY PERSON	26	16.35	0	0
112	BACKHOE OPERATOR	2	1.25	0	0

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,36 - AWC - PA WESTERN

**Job Group:** 007 - OPERATIVES (SEMI-SKILLED)

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
112	COMPRESSOR OPERATOR	1	0.62	0	0
112	METER READER	4	2.51	3	0
112	UTILITY PERSON	11	6.91	0	1
117	GENERAL SERVICEMAN/PERSON	1	0.62	0	0
117	METER READER	1	0.62	1	0
117	SUBFOREMAN	1	0.62	0	0
117	UTILITY PERSON	2	1.25	0	0
122	GENERAL SERVICEMAN/PERSON	2	1.25	0	0
122	METER READER	1	0.62	1	0
122	SUBFOREMAN	1	0.62	0	0
122	UTILITY PERSON	10	6.28	0	0
123	GENERAL SERVICEMAN/PERSON	1	0.62	0	0
123	METER READER	1	0.62	0	0
123	SUBFOREMAN	1	0.62	1	0
123	UTILITY PERSON	3	1.88	0	0
210	BACKHOE OPERATOR	1	0.62	0	0
210	GENERAL SERVICEMAN/PERSON	3	1.88	1	0
210	METER READER	1	0.62	0	0
210	UTILITY PERSON	13	8.17	0	0
<b>Totals</b>		<b>Total #</b>	159	16	5
		<b>Total %</b>		10.06	3.14

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,61 - AWC - PA PITTSBURGH

**Job Group:** 001.2 - FIRST/MID LEVEL MANAGERS AND SUPERVISORS

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
096	SUPVR WTR QLTY & ENVRN CMPL	1	3.70	1	0
109	SUPT FIELD OPERATIONS	1	3.70	0	0
109	SUPVR PRODUCTION	1	3.70	0	0
161	SUPVR PRODUCTION	1	3.70	0	0
161	SUPVR WTR QLTY & ENVRN CMPL	1	3.70	1	0
162	SUPVR PRODUCTION	2	7.40	0	0
162	SUPVR WTR QLTY & ENVRN CMPL	1	3.70	0	0
163	SUPT FIELD OPERATIONS	1	3.70	0	0
163	SUPVR FIELD OPERATIONS	14	51.85	0	1
164	SUPT FIELD OPERATIONS	1	3.70	0	0
164	SUPVR FIELD OPERATIONS	2	7.40	1	1
215	SUPVR WTR QLTY & ENVRN CMPL	1	3.70	1	0
<b>Totals</b>		<b>Total #</b>	27	4	2
		<b>Total %</b>		14.81	7.40



**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,61 - AWC - PA PITTSBURGH

**Job Group:** 003 - TECHNICIANS

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
162	SPEC WTR QLTY & ENV COMPL II	2	100.00	0	0
<b>Totals</b>		<b>Total #</b>	2	0	0
		<b>Total %</b>		0.00	0.00

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,61 - AWC - PA PITTSBURGH

**Job Group:** 005 - OFFICE AND CLERICAL

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
162	SPECIALIST OPNS (N)	1	25.00	1	0
163	SHOP CLERK	1	25.00	1	0
163	SPECIALIST OPNS (N)	2	50.00	2	0
<b>Total #</b>		4		4	0
<b>Total %</b>				100.00	0.00

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,61 - AWC - PA PITTSBURGH

**Job Group:** 006 - CRAFT WORKERS (SKILLED)

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
103	SR SPECIALIST MAINT SERVICE(N)	1	1.44	0	0
116	SR SPECIALIST MAINT SERVICE(N)	1	1.44	0	0
126	SR SPECIALIST MAINT SERVICE(N)	1	1.44	0	0
161	ASST. OPERATOR/MAINTENANCE	3	4.34	1	0
161	MAINT&RELIEF	4	5.79	0	0
161	MAINTENANCE PERSON	2	2.89	0	0
161	OPERATOR	4	5.79	0	0
161	SR SPECIALIST MAINT SERVICE(N)	1	1.44	0	0
162	ASST. OPERATOR/MAINTENANCE	6	8.69	0	0
162	MAINT&RELIEF	5	7.24	0	0
162	MAINTENANCE PERSON	2	2.89	0	0
162	OPERATOR	3	4.34	2	1
163	AUTO MECHANIC	3	4.34	0	0
163	BLACKSMITH	1	1.44	0	0
163	FIRE HYDRANT INSPECTOR	3	4.34	0	1
163	PIPELINE INSPECTOR	3	4.34	0	1
163	SERVICE CREW DRIVER	10	14.49	0	2
164	METER SERVICEMAN	16	23.18	2	2
<b>Totals</b>		<b>Total #</b>	69	5	7
		<b>Total %</b>		7.24	10.14

**AMERICAN WATER COMPANY**  
**Job Group Analysis**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,61 - AWC - PA PITTSBURGH

**Job Group:** 007 - OPERATIVES (SEMI-SKILLED)

<i>Location</i>	<i>Job Title</i>	<i>Total Employees</i>		<i>Female</i>	<i>Minority</i>
		<i>Persons</i>	<i>Percent</i>		
163	BACKHOE OPERATOR	8	9.63	0	1
163	COMPRESSOR OPERATOR	17	20.48	0	0
163	DUMP TRUCK DRIVER	7	8.43	0	2
163	UTILITY PERSON	27	32.53	1	2
163	UTILITY PERSON B	6	7.22	0	0
164	METER READER	17	20.48	8	4
164	METER REPAIR PERSON	1	1.20	0	1
<b>Total #</b>		83		9	10
<b>Totals</b>				10.84	12.04
<b>Total %</b>					

**AMERICAN WATER COMPANY**  
**Job Group Analysis Summary**  
**Analysis Data as of 11/01/2011**

**Plan:** 1,62 - AWC - PA WILKES BARRE

<i>Job Group</i>	<i>Total Employees</i>	<i>Female</i>		<i>Minority</i>	
		<i>#</i>	<i>%</i>	<i>#</i>	<i>%</i>
001.2 - FIRST/MID LEVEL MANAGERS AND SUPERVISORS	14	5	35.71	1	7.14
002 - PROFESSIONALS	7	0	0.00	0	0.00
003 - TECHNICIANS	2	2	100.00	0	0.00
005 - OFFICE AND CLERICAL	34	30	88.23	6	17.64
006 - CRAFT WORKERS (SKILLED)	13	2	15.38	0	0.00
<b>Totals</b>	70	39	55.71	7	10.00

## APPENDIX A



## AMERICAN WATER

**Title: Compensation and Salary Administration Policy**  
**Functional Area: Human Resources**  
**Policy Number: hr.cmp.po.05.compandsaladmin\_2010\_10\_01**

### SCOPE

This policy applies to all positions not covered by a collective bargaining agreement in American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company").

### POLICY STATEMENT

#### Business Objective

American Water provides a competitive pay package, designed to communicate and reinforce desired performance and attract and retain the best people. The overall objective of the salary administration program is to compensate employees who contribute to the business goals of the Company. The Compensation Committee of the American Water Board of Directors views this policy as dynamic and reserves the right to modify any portion of this policy or underlying program to support the Company's overall objectives.

#### Statement

American Water policy is to use a compensation system that will determine the current market value of a position based on the required job duties, responsibilities, skills and knowledge, to relate salaries directly to Core Behaviors and skills, relate incentive rewards with measured job performance and to administer pay programs within the company on a consistent basis without regard to race, religion, color, national origin, ancestry, disability, marital status, age, sexual orientation, military or veteran status, gender or any other characteristic protected by law.

The compensation and salary administration programs:

- Provide a framework for assigning positions to salary levels on a fair and consistent basis;
- Establish and maintain salary ranges that are competitive in the marketplace;
- Ensure that each salary decision is based on an assessment of an employee's performance;
- Support the Company's planning and budgeting process; and
- Ensure that salary-related decisions are equitable, consistent and made without regard to race, religion, color, national origin, ancestry, disability, marital status, age, sexual orientation, military or veteran status, gender or any other characteristic protected by law.

The Human Resources is charged with assuring:

1. A consistent approach to job analysis that includes completion of a standard job description by a supervisor.
2. A job evaluation process to assign positions to salary levels based on their actual duties and responsibilities.



## AMERICAN WATER

3. A competitive salary structure reflecting what other organizations pay for similar work and the Company's internal equity.
4. A performance management process that focuses on both goal attainment, Core Behaviors and skills development and provides a basis to evaluate each employee's contribution to the company, to determine appropriate merit salary increases and/or incentive pay and to identify ways to strengthen performance and employee development.
5. Salary administration practices that ensure consistent application of the program.

The salary guidelines developed by the Corporate Compensation Group are provided as a basic framework to use in exercising sound judgment in the daily administration of the program. It is essential that Human Resources staff and line management work together in administering the salary administration program. Both parties have important, interrelated responsibilities. Human Resources will provide assistance in making personnel and compensation-related decisions; conversely, Human Resources must be advised of specific problems or concerns about the program.

### **MONITORING**

Supervisors are responsible for proper application of this policy in accordance with American Water Salary Administration Guidelines.

Local Human Resources is responsible for assuring that supervisors are aware of the American Water Salary Administration Guidelines and compliance with this policy.

Corporate Compensation will monitor the effectiveness of all compensation related programs.

### **REPORTING / METRICS**

Corporate Human Resources will report annually to the Service Company Board and the Compensation Committee of the American Water Board on the effectiveness of the program from the prior year, policy violations in the prior year and recommend the new program for the upcoming year.

### **CONSEQUENCE OF NON-COMPLIANCE**

Any employee who violates or circumvents this policy may be subject to disciplinary action up to and including termination.

### **WAIVER**

All waivers under this policy must be approved in advance and in writing by the Senior Vice President of Human Resources, or her or his designee.

### **REFERENCES**

Performance Management and Feedback Policy

American Water Salary Administration Guidelines

### **DEFINITIONS**

Performance Management Process – the total process which includes the Performance Review (Goal Attainment) and the Development Review (Core Behaviors and development plan).





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**REVIEW / UPDATE**

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals.

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**Approved by:** American Water Board

Original Adopted: June 26, 2007

Revised Adopted: October 1, 2010

Date of Last Review: October 1, 2010

Effective Date: October 1, 2010

**Prepared By:** Human Resources

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



Title: **Employee Referral Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_stf\_po\_01\_employreferl\_2010\_10\_01**

### **SCOPE**

This policy applies to the posting and filling of any full-time regular jobs in salary level ML4 and below at American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company").

### **POLICY STATEMENT**

#### **Business Objective**

American Water realizes that employees can be an excellent source of candidates for existing openings. The Employee Referral Program is designed to support the recruiting process by enlisting employee help in sourcing job candidates.

#### **Statement**

It is the policy of American Water to recruit the very best job applicants based on their training, education, experience and overall qualifications, consistent with the Company's Equal Employment Opportunity (EEO) policy and applicable laws, as appropriate. All employment selection decisions are to be based upon objective, non-discriminatory criteria only.

#### **Eligibility**

The referral must be for a full-time position. Part-time, temporary, summer, and co-op positions do not qualify.

The referring employee must be an employee of a participating American Water Company and solely responsible for bringing the candidate to the attention of the Company. The employee may search for positions on the internal candidate portal and send a posting to a friend through the portal, provided the position has been posted externally and the position is coded to accept referrals. Referring employees will be able to check on the status of a referral through the Careers@AmericanWater website available on the American Water Intranet.

The selected candidate must pass all pre-employment qualifications required for the position. If the selected candidate is hired and remains an active employee for ninety (90) calendar days, the referring employee will be eligible for the referral award, provided that the referring employee is an active employee when the candidate completes his or her first ninety (90) calendar days of employment.

Hiring managers, employees in salary level ML1-4 and L or N5, as well as Human Resources Department management employees, or Human Resources employees directly involved in the hiring process at the hiring location **are not eligible** for any referral award.

**The Company will not accept or recognize any referral unless the referral is made through the Company's Careers@American Water site.**

#### **Awards**

The Award Schedule is based on the new hire's salary level. All payments shall be made in the appropriate local currency.



<u>SALARY LEVEL</u>	<u>AWARD PAYMENT</u>
ML4 - L5 or N5	\$ 2,500
L6 - L8 or N6 - N8	2,000
L9 - L11 or N9 - N11	1,000
L12 - L16 or N12 - N16	500
All other positions	250

Awards will be issued on the first pay day of the month after the new employee has completed ninety (90) calendar days of employment and all awards are subject to payroll tax reporting and withholding and will be paid in the appropriate local currency.

An award will not be included in benefit accruals and/or calculations for any benefit programs offered by American Water in which the employee may be participating. This includes, but is not limited to: Defined Benefit Pension Plan, the Company 401(K) Plan, Life Insurance Program, and Short-Term and Long-Term Disability Programs. Awards are also not included in the calculation of any Annual Incentive award, if the referring employee is eligible.

### **MONITORING**

Local Human Resources is responsible for monitoring referral activities.

### **REPORTING/METRICS**

Divisional Human Resources track the number of referrals and the cost of referrals quarterly. Information shall be provided to the Division Executive Vice President, State President or Senior Vice President of Human Resources, as requested.

Corporate Human Resources will track the total number of referrals and the total program cost to the Service Company Board, as requested.

### **CONSEQUENCE OF NON-COMPLIANCE**

Failure to comply with the requirements of this policy may result in a forfeiture or ineligibility for a referral payment under this policy.

### **WAIVER**

All waivers under this policy must be approved in advance and in writing by the Senior Vice President of Human Resources or her or his designee.

### **REFERENCES**

Employee Referral Practice

Equal employment Opportunity (EEO) Practice

### **DEFINITIONS**

None

### **REVIEW/UPDATE**

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals.



AMERICAN WATER

**Approved by:**

Service Company Board

Original Adopted: April 6, 2006

Revised Adopted: September 17, 2010

Date of Last Review: September 17, 2010

Effective Date: October 1, 2010

**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



AMERICAN WATER

Title: **Equal Employment Opportunity (EEO) Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_stf\_po\_03\_equalemployop\_2010\_10\_01**

### SCOPE

This policy covers all employees of American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company") employed in the United States, including both the regulated and non-regulated business. This policy covers vendors, customers, or others who enter American Water.

### POLICY STATEMENT

#### Business Objective

American Water is committed to providing a work environment that is free from all forms of discrimination and conduct that could be considered harassing, coercive or disruptive. American Water is an equal opportunity employer.

#### Statement

It is the policy of the Company to provide equal employment opportunities to qualified individuals without regard to race, religion, color, national origin, ancestry, disability, marital status, age, sexual orientation, military or veteran status, gender, gender identity or expression, or any other characteristic protected by law. This policy applies to all terms and conditions of employment, including, but not limited to, application procedures, hiring, advancement, discharge, compensation, training, or other terms, conditions and privileges of employment.

The Company is committed to taking affirmative action to hire and advance minorities and women as well as qualified individuals with disabilities and covered veterans. The Company will provide reasonable accommodations where necessary, feasible and required by applicable law. Employees seeking an accommodation should bring their request to either their supervisor or local Human Resources. When accommodation is requested, the Human Resources representative and the employee's supervisor will meet and discuss the situation with the employee and attempt to reach a mutually agreeable reasonable accommodation.

This policy applies to all personnel actions—including (and without limitation to) hiring, transfers, promotions, compensation, benefits, education, training, recreation, reductions-in-force and social programs.

Improper interference with the ability of American Water employees to perform their expected job duties **will not** tolerated.

The policies and principles of equal employment opportunity also apply to the selection and treatment of independent contractors, personnel working on our premises who are employed by temporary agencies and any other persons or firms doing business for or with the Company.

The Company has developed written Affirmative Action Program(s) that set forth the policies, practices and procedures the Company is committed to applying in order to ensure that its policy of non-discrimination and affirmative action for qualified individuals with disabilities and qualified protected veterans is accomplished. The Affirmative Action Program(s) for qualified individuals with disabilities and qualified protected veterans are available for inspection by an



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employee or applicant for employment upon request between 8:00 AM and 5:00 PM at the appropriate Human Resources Department. Any questions should be addressed to your supervisor, local Human Resources representative or the appropriate Human Resources Director.

### **MONITORING**

It is the responsibility of every employee and supervisor to monitor this compliance with this policy and report any non-compliance.

### **REPORTING/METRICS**

Local Human Resources will track all violations of this policy and report metrics to Corporate Human Resources, as requested.

Corporate Human Resources will track annually the number of internal complaints filed under this policy, as well as the number of claims filed with regulatory agencies and resolution status of all claims, and will report such information to the Service Company and American Water Boards as requested.

### **CONSEQUENCE OF NON-COMPLIANCE**

Employees violating this policy will be subject to disciplinary action up to and including termination. While the Company's ability to discipline a non-employee harasser (e.g. customer, vendor or visitor) is limited by the degree of control, if any, that the Company has over the alleged harassers, appropriate action will be taken.

Any employee, who is found to have knowingly made a false accusation of harassment or retaliation, may be subject to appropriate disciplinary action up to and including termination.

### **WAIVER**

There are no waivers under this policy.

### **REFERENCES**

Title VII of the Civil Rights Act  
Americans With Disabilities Act  
Age Discrimination in Employment Act

### **DEFINITIONS**

N/A.

### **REVIEW/UPDATE**

This policy will be reviewed every 3 years.

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### **Approved by:**

Indicate: Service Company Board

Original Adopted: May 3, 2006

Revised Adopted: October 1, 2010

Date of Last Review: October 1, 2010

Effective Date: October 1, 2010



AMERICAN WATER

**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



AMERICAN WATER

Title: **Harassment Free Workplace Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_emp\_po\_01\_harrassfree\_2010\_11\_01**

### **SCOPE**

This policy applies to American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company"). This policy also covers vendors, customers, or others who enter American Water workplace. Workplace includes facilities owned or leased by American Water as well as any place where American Water does business. This policy also applies to participation in business trips, meetings or social events, regardless of location.

### **POLICY STATEMENT**

#### **Business Objective**

American Water is committed to a workplace free of discrimination and harassment of any kind. Offensive or harassing behavior will not be tolerated against any employee, vendor, customer or visitor.

#### **Statement:**

American Water prohibits discrimination or harassment of any individual on the basis of race, religion, color, national origin, ancestry, disability, marital status, age, sexual orientation, military or veteran status, gender, gender identity or expression, or any other characteristic prohibited by law. Such actions are unacceptable and will not be tolerated. Supervisory or managerial personnel are responsible for taking proper action to end such behavior in their workplace.

Any employee who, in good faith, reports an alleged incident of harassment will under no circumstances be subject to reprisal or retaliation of any kind. Any employee who feels he or she has been subjected to retaliation should file a complaint with the Human Resources Department.

### **MONITORING**

It is the responsibility of every employee and supervisor to monitor compliance with this policy and report any non-compliance.

### **REPORTING/METRICS**

Local Human Resources will track all violations of this policy and assure all issues are reported on the Code of Ethics Hotline in a timely manner.

Corporate Human Resources will report the number of internal complaints filed under this policy, as well as the number of claims filed with regulatory agencies and resolution status of all claims to the Board as requested.

### **CONSEQUENCE OF NON-COMPLIANCE**

Any employee who violates or circumvents this policy may be subject to disciplinary action up to and including termination. While the Company's ability to discipline a non-employee harasser (e.g. customer, vendor or visitor) is limited by the degree of control, if any, that the Company has over the alleged harassers, appropriate action will be taken.





**WAIVER**

No waivers will be granted under this policy.

**REFERENCES**

Title VII of the Civil Rights Act.

**American Water Code of Ethics**

American Water Confidential Ethics Hotline: (877) 207-4888

**DEFINITIONS**

Under this policy, harassment includes verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his /her, race, religion, color, national origin, ancestry, disability, marital status, age, sexual orientation, gender or any other characteristic protected by law and that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group.

The definition of sexual harassment is particularly difficult to define. While it may not be possible to identify all the conduct that could be considered sexual harassment, it has been defined generally as including unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature, whenever: (1) submission to the conduct is either an explicit or implicit term or condition of employment; (2) an employee's reaction to the conduct is used as a basis for employment decisions affecting that employee; or (3) the conduct has the purpose or effect of interfering with the employee's work performance or creating an intimidating, hostile or offensive working environment.

No individual should be subjected to unsolicited and unwelcome sexual overtures. Nor should any individual be led to believe that an employment opportunity or benefit will in any way depend upon "cooperation" of a sexual nature.

Sexual harassment is not limited to demands for sexual favors. While it is impossible to identify all types of sexual harassment, examples include: (1) sexually-oriented kidding, teasing, or jokes; (2) repeated offensive sexual flirtations, advances, or propositions; (3) continued or repeated verbal abuse; (4) graphic or degrading comments about an individual or his or her appearance; (5) the display of sexually suggestive objects or pictures; (6) subtle pressure for sexual activity; (7) brushing, patting or any other physical contact; and (8) harassing e-mails.

Sexual harassment does not refer to occasional compliments of a socially acceptable nature without a discriminatory employment effect. Rather, it refers to behavior which is not welcome and which is personally intimidating, hostile or offensive.

**REVIEW/UPDATE**

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals.



AMERICAN WATER

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**Approved by:**

Indicate: Service Company Board

Original Adopted: June 7, 2006

Revised Adopted: November 1, 2010

Date of Last Review: November 1, 2010

Effective Date: November 1, 2010

**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



Title: **Internal Job Posting Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_stf\_po\_02\_internalposting\_2010\_11\_01**

### **SCOPE**

This policy applies to American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company").

### **POLICY STATEMENT**

#### **Business Objective**

The purpose of this policy is to assure that employees have an opportunity to learn about current open positions at American Water and to express an interest in any open position for which they believe they are qualified.

#### **Statement**

The Company's policy is to provide current employees the opportunity to self-nominate for any approved and open position, posted pursuant to this policy. This policy covers the posting and filling of all non-bargaining unit full-time regular jobs in salary level ML4 through L16 in the regulated companies and N5 through N17 in the non-regulated companies.

While the primary purpose of the internal job posting system is to provide employees with the opportunity for promotion or lateral growth, an employee may apply for a position at the same or lower salary level. Any employee who accepts a demotion may be subject to salary restrictions and/or a reduction in salary in accordance with the Compensation and Salary Administration policy

When employees have demonstrated prerequisite qualifications, they may be given priority consideration for posted positions. However, the Company reserves the right to recruit externally when it determines, at its sole discretion, that it is in the Company's best interest to do so.

Selection of employees for posted job openings shall be based on individual merit and the ability to meet job qualifications with or without accommodation. Selections will be made without regard to gender, gender identity or expression, age, race, color, disability, religion, national origin, and marital, veteran status, or any other protected classification.

Job openings at salary levels ML4 through L16 and N5 through N17 that might be filled by candidates within the Company, will be posted on the Careers@American Water site available through the American Water intranet or through a posting of an "Announcement of Position Vacancy". The Company's philosophy is to announce vacancy opportunities at all levels, if deemed appropriate under the circumstances. Positions posted within the last 90 days **do not** need to be re-posted.

Existing positions in grades ML4 through L16 and N5 through N17 must be posted for at least seven days when they become vacant. However, certain positions within a department may be recognized as "Line of Progression" positions. An example of a line of progression is: Engineer to Project Engineer to Sr. Engineer. By virtue of meritorious performance, an Engineer could be promoted to Project Engineer. The Project Engineer position would not be posted in this situation and therefore the Engineer position does not become an opening. The meritorious progression placement ceases when the next progressive step is to a management position. Consistent with this example, a Manager engineering position would be posted. Therefore, a



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Sr. Engineer cannot be promoted to a Manager Engineering, without posting the Manager Engineering opening.

Only employees are permitted to use the [Careers@AmericanWater](mailto:Careers@AmericanWater) site on the American Water intranet. Employee applicants who are in salary level ML4 through L13 and N5 and N14 must have held their current position for at least one (1) year prior to applying to any posted position. Employee applicants in salary level L14 through L16 and N15 through N17 must have held their current position for at least six (6) months prior to applying for any posted position. If business conditions permit, management may, at its sole discretion, waive this requirement and such waiver must be in writing and submitted to the local Human Resource Representative.

Applicants who posted for a position must have a satisfactory performance record and have no disciplinary actions received within the previous 12 months.

If an employee has been notified that his/her current position has been eliminated, their application for a vacancy will receive priority consideration in the selection process. To receive priority consideration, the employee facing downsizing must meet the qualifications for the posted vacancy and have at least a "Meets Expectations" performance level.

### **MONITORING**

Local Human Resources is responsible for assuring compliance with this policy.

### **REPORTING/METRICS**

Local Human Resources will track the number of internal transfers and promotions and report them to Corporate Human Resources, as requested.

Corporate Human Resources will track and report the number of internal transfers and promotions to the Service Company Board, as requested.

### **CONSEQUENCE OF NON-COMPLIANCE**

Non compliance with this policy may result in ineligibility to participate in internal job posting.

### **WAIVER**

Any deviation or waiver from or exception to this policy requires the prior written approval of the Senior Vice President, Human Resources or his or her designee.

### **REFERENCES**

[Careers@AmericanWater](mailto:Careers@AmericanWater)

[Internal Job Posting Program Practice](#)

[Equal Employment Opportunity \(EEO\) Policy](#)

[Compensation and Salary Administration Policy](#)

### **DEFINITIONS**

Priority consideration – The Company will give first consideration to employees impacted by a reduction-in-force or job elimination, before considering other internal or external candidates. The impacted employee must meet all of the job requirements to receive such consideration.

### **REVIEW/UPDATE**

This policy will be reviewed every 3 years.



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**Approved by:**

Service Company Board

Original Adopted: April 6, 2006  
Revised Adopted: November 1, 2010  
Date of Last Review: November 1, 2010  
Effective Date: November 1, 2010  
**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



Title: **Relocation Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_stf\_po\_04\_relocation\_2010\_10\_01**

### **SCOPE**

This policy covers all exempt non-bargaining unit employees of American Water Works Company, Inc. and its controlled subsidiaries ("American Water" or the "Company") employed in the United States.

### **POLICY STATEMENT**

#### **Business Objective**

It is the intent of American Water to support employees and their families to the extent practical in all phases of relocation, and to provide fair and uniform relocation benefits.

#### **Statement**

American Water will provide financial assistance to reduce inconvenience and financial burdens incurred during the assignment of an exempt employee to a new work location in accordance with the provisions of this policy. The Company will assist the employee in securing housing at the new work location and in disposing of the principal residence at the old location as quickly as possible. However, only employees who currently own a personal or family residence and who purchase a home at the new location within **one year** of their effective transfer date are eligible for home purchase closing costs.

All approved relocation expenses are to be charged to the destination business unit and company (e.g. the company the employee is being relocated to work for). A transferring employee is only eligible for the relocation package offered by the destination company.

Employees participating in the relocation program must work with the Company's approved relocation vendor. **The employee must contact the relocation vendor before initiating any transactions. Failure to contact the vendor prior to a transaction may result in some or all of those expenses being denied.**

Any employee who participates in the relocation program will be required to complete one (1) full year of service after the relocation is completed. **Any employee who does not complete the full year of service following the completion of the relocation will be required to pay back any and all relocation funds received.**

### **MONITORING**

Human Resources, particularly local Human Resources, is responsible for monitoring compliance and will track metrics regarding the number of relocations issued.

To ensure consistent application of this policy throughout the system, all relocation expenses will be reviewed and approved by the Senior Vice President, Human Resources, or his/her designee.



### **REPORTING/METRICS**

Corporate Human Resources will provide the American Water Service Company Board a report identifying the number of relocations provided as well as the annual cost of the program, as requested.

### **CONSEQUENCE OF NON-COMPLIANCE**

Employees who knowingly violate this policy may lose relocation privileges and may also be subject to disciplinary action up to and including termination from employment.

### **WAIVER**

Any exceptions to this policy must be approved in advance by the Senior Vice President of Human Resources, or her or his designee.

### **REFERENCES**

NEI Global Relocation Website (Program details are available on that site)

### **DEFINITIONS**

**Eligibility** - An individual in an exempt position who relocates for the benefit of and at the request of the Company in conjunction with a full-time position (35 hours a week or more), for which relocation has been authorized and approved, may be reimbursed for certain costs associated with the relocation when the distance from the old residence to the new place of work is at least 50 miles (subject to change per IRS regulations) farther than the distance from the old residence to the old work location, provided the employee meets all other eligibility requirements. This applies only to employees being **permanently** reassigned by the Company to a new location for an indefinite or stated **period of not less than 12 months**.

Participation in the American Water relocation program must conclude within 12 months of the date of hire or effective date of transfer.

#### **Levels of Relocation :**

Regulated Businesses, including American Water works Service Company, Inc. – Three (3) levels

- **Gold** Available to employees in Salary Levels ML 1 through L 5
- **Silver** Available to employees in Salary Levels L 6 and L 7
- **Bronze** Available to employees in salary Levels L 8 through L 11

Non-regulated Businesses (American Water Enterprises) – Two (2) levels

- **Tier I** Available to employees in Salary Levels N4 through N6
- **Tier II** Available to employees in Salary Levels N7 through N11

Individuals should consult with the local Human Resources department to ascertain whether or not relocation is available for their new or transfer position and to obtain additional information on the level for which they are eligible. Any individual who participates in this program must contact the approved Relocation Company prior to initiating any activities related to a move.



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**Covered expenses and Services** - Actual details are covered in the program description for each program level. Covered expenses may include, among other things:

- *Relocation Expense Report Payments*
- *A Market Value Driven Program*
- *Temporary Living*
- *Home Finding Services*
- *Household Moves*
- *Other Expenses and Services* , such as
  - *Income Tax Expense Support*
  - *Spouse Employment Assistance*
  - *Rental Home Finding Assistance*

The allowable reimbursable relocation expenses are determined by the organization level of the position into which the employee is transferred or hired and the package for which the employee is eligible.

### **REVIEW/UPDATE**

This policy shall be reviewed every 3 years.

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### **Approved by:**

Service Company Board

Original Adopted: November 2, 2006

Revised Adopted: October 1, 2010

Date of Last Review: October 12010

Effective Date: October 1, 2010

**Prepared By: Human Resources**

### **Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.





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Title: **No Retaliation Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_emp\_po\_04\_noretaliaton\_2010\_11\_01**

### **SCOPE**

This policy applies to American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company").

### **POLICY STATEMENT**

#### **Business Objective**

It is the intent of American Water to encourage employees to report alleged wrongful conduct and to prohibit any adverse action against an employee who has made a good faith disclosure of alleged wrongful conduct.

#### **Statement**

Employees are encouraged to promptly report alleged wrongful conduct. No adverse action may be taken against an employee for any good faith disclosure of alleged wrongful conduct including, but not limited to the employee's good faith belief that he or she has evidenced: (i) a violation of any law; (ii) fraudulent or criminal conduct or activities; (iii) questionable accounting or auditing matters; (iv) misappropriation of Company funds; or (v) violations of provisions of the Company's Code of Ethics. No employee shall take or recommend an adverse action against an employee or otherwise retaliate against an employee for disclosing alleged wrongful conduct.

An employee who becomes aware of alleged wrongful conduct is encouraged to make a Disclosure to the Ethics Hotline at (877)207-4888 as soon as possible.

This Policy may not be used as a defense by an employee against whom an adverse or disciplinary action has been taken for legitimate reasons or cause. It shall not be a violation of this Policy to take adverse disciplinary action against an employee whose conduct or performance warrants that action separate and apart from the employee making a disclosure.

An employee's protection under this Policy is in addition to any protections to any applicable state or federal law and this Policy shall not be construed as limiting any of such protections.

### **MONITORING**

Human Resources, particularly State and Divisional Human Resources, is responsible for compliance monitoring and will provide metrics regarding the number of violations, as requested.

### **REPORTING/METRICS**

Corporate Human Resources will provide the American Water Service Company Board with a report identifying the number of violations, as requested.

### **CONSEQUENCE OF NON-COMPLIANCE**

Any employee who violates this policy may be subject to disciplinary action up to and including termination from employment.



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## WAIVER

There are no waivers under this policy.

## REFERENCES

### Code of Ethics

Harassment Free Workplace Policy

## DEFINITIONS

**Adverse Action** – Adverse action includes, among other things, disciplinary action, discrimination and harassment.

## REVIEW/UPDATE

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals

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### **Approved by:**

Indicate: Service Company Board

Original Adopted: November 2, 2006

Revised Adopted: November 1, 2010

Date of Last Review: November 1, 2010

Effective Date: November 1, 2010

**Prepared By: Human Resources**

### **Disclaimer**

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This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



AMERICAN WATER

Title: **Staffing Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_stf\_po\_06\_staffing\_2008\_05\_30**

## **SCOPE**

This policy applies to American Water Works Company, Inc. and the employees of its controlled regulated and unregulated subsidiaries (together "American Water" or the "Company").

## **POLICY STATEMENT**

### **Business Objective**

American Water (See Scope below) believes that hiring the most qualified individuals, without regard to race, religion, color, national origin, ancestry, disability, marital status, age, sexual orientation, military or veteran status, gender or any other characteristic protected by law, contributes to the overall strategic success of the Company. The Company expects that each employee, while employed, will make significant contributions to American Water.

We encourage, honor, and celebrate differences in our workforce, including race, gender, spiritual practice, age, nationality, physical capabilities, education, and personal style. American Water values and promotes diversity in its workforce and aims to reflect the local communities it serves through the people it employs, wherever possible.

### **Statement**

## **PERSONNEL REQUISITIONS**

American Water will only fill positions that have been properly requisitioned and approved in accordance with the Staffing Practice. The Hiring Supervisor/Manager must work with local Human Resources to identify a staffing need. Local Human Resources will develop the requisition using authorized and approved job descriptions from the Company's Job Description Database. Prior to the requisition process, local Human Resources will assure that descriptions not currently in the Job Description Database are created/updated and entered into the database. All requisitions are created in the Company's resource management system and routed for review and approval. Requisitions must contain all required approvals including the appropriate Human Resources Director. Each Operating Unit/state will identify and publish a practice regarding specific approvals for requisitions.

## **JOB POSTINGS**

All regular exempt and non-exempt job openings in salary levels L5 through L16 and N5 through N17, and any other positions that the Company determines should be posted on the Careers@AmericanWater website and bulletin boards, as appropriate for employees to review, consistent with the Company's Internal Job Posting Policy and Practice. Jobs remain posted until the position is filled or at management's discretion until a specified closing date. Job postings are updated daily.



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### **INTERNAL TRANSFERS**

Employee applicants who are in salary level L5 through L13 and N5 through N12 must have held their current position for at least one (1) year prior to applying to any posted position. Employee applicants in salary level L14 through L16 and N13 through N17 must have held their current position for at least six (6) months prior to applying for any posted position. If business conditions permit, the employee's current management may, at its sole discretion after consultation with local Human Resources, waive this requirement and such waiver must be in writing and submitted to their Local Human Resource Representative, consistent with the Internal Job Posting Policy and Practice. All waivers must be included in the employee's personnel folder and in the search file. Once transferred to a new position, employees will enter into an introductory period for the new position. The introductory period is determined by the level and complexity of the position.

### **RECRUITMENT ADVERTISING**

Positions are advertised externally based upon need and budget requirements. Human Resources is responsible for placing all recruitment advertising.

### **INTERVIEW PROCESS**

Human Resources or the Hiring Supervisor/Manager may screen applications and/or resumes prior to scheduling interviews. Initial interviews are generally conducted by Human Resources and the hiring manager. Team interviews may be conducted as needed for some positions.

A structured interview process is recommended. In this process, interview questions are compiled by the interviewing team and reviewed by Human Resources. The team would then agree on the interview questions and a common understanding of what constitutes an appropriate response. During the interview process it may be appropriate to ask specific or more probing questions to ascertain an accurate understanding of the candidates' qualifications for the position. After the team completes the interview process, the results of the each interview is summarized and forwarded to the Hiring Supervisor/Manager and/or Human Resources for review. The Hiring Supervisor/Manager has ultimate responsibility for making a hiring decision, but must consult with local Human Resources on the offer parameters, consistent with the Delegation of Authority

Hiring Supervisors/Managers must notify Human Resources of all interviews conducted. All applications and resumes of applicants not selected must be retained in accordance with law. Human Resources will notify applicants who are not selected of the hiring decision. Human Resources is responsible for assuring that all applicants are properly identified for Affirmative Action purposes.

### **REFERENCE CHECKS, CRIMINAL BACKGROUND CHECKS, AND DRUG AND ALCOHOL TESTING**

Candidates for employment with the Company, except as identified below, must successfully complete reference checks, criminal background checks and drug and alcohol testing prior to starting work with the Company. Consistent with all applicable laws and regulations, Human Resources will prepare an offer that may be contingent upon satisfactory completion of employment reference checks, criminal background checks, drug and alcohol tests and/or physical examination, if required. The local Human Resources representative will facilitate the



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checking of references for all candidates. Human Resources will contact final candidates to schedule a pre-employment drug and alcohol screen and physical examination, if required. Consistent with Canadian law, criminal background checks and drug and alcohol testing are not required for any position in Canada.

### **JOB OFFERS**

Typically, a verbal contingent offer of employment is extended by Human Resources. Once Human Resources receives satisfactory results from the reference checks, criminal background check, drug and alcohol screen and physical examination, if required, Human Resources will notify the candidate and send the candidate a formal written offer. In certain situations, and as required by law, a formal written offer may be extended, contingent upon the results of reference checks, criminal background checks, drug and alcohol testing and whatever other pre-employment testing is required.

**If the final or preferred candidate is a current or prior employee of the Company's external auditing firm, a state regulatory agency or a consulting firm, the Chief Financial Officer (CFO) must be notified before any offer may be made.** The CFO will review all pertinent information and assure that all required approvals have been given prior to extending any offer. Once appropriate approvals have been given, then, and only then, may an offer be extended.

### **INITIAL START DATE AND ORIENTATION**

All employees must complete required new hire paperwork and the New Employee Orientation. Generally, all documents are completed at the New Employee orientation or prior to the scheduled orientation. All documents are identified in the Staffing Practice. Hiring Supervisor/Managers will complete the "New Hire Checklist" with new employees and go through any policy and procedures related to the new employee's position.

### **SCOPE**

This policy applies to American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company").

### **MONITORING**

Local Human Resources is responsible for monitoring all aspects of the recruiting and staffing process.

The Divisional Human Resources Director is responsible for monitoring the overall staffing process for the Region and summing quarterly metrics to the Operating Unit Head and Corporate Human Resources.

Corporate Human Resources is responsible for overall governance of the staffing process, providing tools and systems to support the process and providing regular metrics to the Service Company Board.

### **REPORTING/METRICS**

The Hiring Manager and local Human Resources Representative are responsible for reporting to the CFO, any current or prior employee of the Company's external auditing firm, a state



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regulatory agency or consulting firm, who is under serious consideration for employment with the Company.

Divisional Human Resources Directors will provide metrics related to number of vacancies, vacancy rate, time to fill, cost per hire and progress toward Affirmative Action goals, if applicable for the state, region or division.

Corporate Human Resources will provide metrics related to number of vacancies, vacancy rate, time to fill, cost per hire, relocation expenses, agency performance and progress toward Affirmative Action goals, if applicable for all of American Water.

### **CONSEQUENCE OF NON-COMPLIANCE**

Any employee who violates or circumvents this policy may be subject to disciplinary action up to and including termination.

### **WAIVER**

Any deviation or waiver from or exception to this policy requires the prior approval of the Senior Vice President of Human Resources, or his or her designee.

### **REFERENCES**

Staffing Practice  
Equal Employment Opportunity Policy  
Relocation Policy  
Internal Job Posting Policy  
Internal Job Posting Practice  
Records Retention Policy (pending)

### **DEFINITIONS**

**Introductory Period.**- The introductory period is generally the first 90 to 180 days following the first day in a new position. The length of the introductory period will vary depending upon the level and complexity of the position.

### **REVIEW/UPDATE**

This policy will be reviewed every 3 years.

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#### **Approved by:**

Indicate: Service Company Board

Original Adopted: September 28, 2007

Revised Adopted: May 30, 2008

Date of Last Review: May 30, 2008

Effective Date: June 30, 2008

Prepared By: Human Resources

**Disclaimer**



## AMERICAN WATER

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



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Title: **Tuition Assistance Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_dev\_po\_02\_tuitionassist\_2009\_01\_05**

### **SCOPE**

This policy covers all employees of American Water Works Company, Inc. and employees of its regulated subsidiaries ("American Water" or the "Company") employed in the United States.

### **POLICY STATEMENT**

#### **Business Objective**

It is the intent of American Water to provide employees with the opportunity to improve or acquire new skills and competencies which will lead to a highly trained, more productive work force, and assists employees with their professional development.

#### **Statement**

Consistent with this policy, American Water will advance or reimburse the total cost for tuition, registration and required fees (less any scholarships or other aid received), up to a maximum of \$5,250 per year, for continuing education through an accredited or certified program.

Acceptable accreditation is through any institution or organization that meets GAAP criteria (Generally Accepted Accrediting Principles) and/or ACCET (Accrediting Council for Continuing Education and Training) and/or ACICS (Accrediting Commission for Independent Colleges and Schools). The Bears' Guide to Earning Degrees Nontraditionally can be referenced for further information on accrediting agencies and standards.

Courses and programs need to directly relate to an employee's current position/function or prepare them for development opportunities in other Company functions. If a course or program is not directly related to an employee's current position/function, an explanation will need to be included in the application clearly illustrating how the course or program assists the employee's preparation for development opportunities in a different Company discipline, fulfills a degree/certification requirement (for an approved course of study) or might lead to promotional opportunities with the employee's current discipline or a different company function. Tuition Assistance may be available for:

- College coursework and degrees (undergraduate, graduate, post graduate), including registration fees and course related lab fees;
- Continuing education unit courses;
- Distance learning programs (E-learning, correspondence programs);
- Technical or trade program courses;
- Review courses in preparation for a certification exam;
- Certification exams;
- College-Level Examination Program (CLEP) tests.

The cost of a review course for the same certification exam will be reimbursed by the Company no more than two times.

Employees may enroll for no more than two courses (typically 6-8 credits), or the equivalent, per semester or quarter and may not attend classes and/or study while being paid to be at work,





## AMERICAN WATER

unless such arrangement is approved in advance by the Regional or Business Unit head and the local Human Resources Director, or her or his designee.

Employees must maintain satisfactory job performance (based on their supervisor's assessment of work performance) to participate in the program.

Miscellaneous expenses, such as books, parking, supplies, books, social dues, athletic fees, travel expenses, graduation fees (including caps and gowns) and the like are not covered by this policy. Similarly, the cost of college level entrance exams (e.g. GRE, GMAT, etc) and any related college prep courses are also not covered by this policy.

Eligibility for tuition assistance for additional undergraduate, graduate and post graduate degrees (beyond the first of each earned by the employee) will be at the discretion of the Company. This will be based on how the degree program can contribute to the employee's overall effectiveness in their current role or potential developmental opportunities.

Any employee who does not receive a passing grade or it's equivalent (e.g., C or better--Undergraduate, B or better--Graduate) in the course, or who withdraws from the course, must notify Human Resources and will not be eligible for future tuition assistance until full repayment of all costs for that specific course has been received by the Company. When unusual circumstances, such as extended illness or relocation, are considered to have contributed to the failure to satisfactorily complete the course, the Company may, at its sole discretion, waive this requirement. In all instances, it will be up to the employee to notify the educational institution when appropriate, to request the refund of any tuition and/or fees that are due to American Water within 30 days. It will be the employee's responsibility to be familiar with and abide by the deadlines for dropping classes.

If an employee voluntarily terminates employment prior to the completion of the course(s), or within 12 months after completion of the course(s), repayment of tuition and fees for that course(s) will be deducted from the last pay, consistent with any legal requirements. Any remaining balance, not covered by the deduction, is to be paid within 8 weeks after the last day worked. All employees receiving tuition assistance will be required to sign a Tuition Assistance Payback Agreement.

Any employee who reasonably believes that they have been unfairly treated under this policy may appeal any decision relating to tuition assistance to their local Human Resources representative.

### **MONITORING**

The immediate supervisor, and second level supervisor, in consultation with Human Resources, are responsible for approving and monitoring compliance with the policy.

Local Human Resources is responsible for assuring consistent treatment under this policy.

Human Resources, particularly Regional Human Resources, is responsible for compliance monitoring and will provide metrics to the Regional President and Corporate Human Resources regarding the number of employees using the program each quarter and the total dollars spent for each participant.



## AMERICAN WATER

### **REPORTING/METRICS**

Corporate Human Resources will provide the American Water Service Company Board with an annual report identifying the number of employees using the program and total dollars spent in the immediately preceding year.

### **CONSEQUENCE OF NON-COMPLIANCE**

An employee who knowingly violates this policy may lose privileges under this program and may be subject to disciplinary action up to and including termination from employment.

### **WAIVER**

Any exceptions to this policy must be reviewed by the Director of Human Resources that supports the Business Unit within which the individual works. If the Human Resources Director deems the waiver request appropriate, he or she must submit the waiver request to the Senior Vice President of Human Resources for review and disposition. Any waiver must be approved by the Senior Vice President of Human Resources, or her or his designee.

### **REFERENCES**

Tuition Assistance Practice  
Tuition Assistance Application and Payback Agreement  
Education Planning Guide

### **DEFINITIONS**

None

### **REVIEW/UPDATE**

This policy will be reviewed annually.

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### **Approved by:**

Service Company Board

Original Adopted: February 8, 2007

Revised Adopted: January 5, 2009

Date of Last Review: January 5, 2009

Effective Date: January 5, 2009

**Prepared By: Human Resources**

### **Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board (and, if applicable, the executive having authority to approve this policy) has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole



## AMERICAN WATER

discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



Title: **Uniformed Service Leave Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_stf\_po\_07\_userra\_2008\_09\_18**

### **SCOPE**

This policy covers all full-time regular and part-time non-union employees of American Water Works Company, Inc. and employees of its controlled regulated and unregulated subsidiaries ("American Water" or the "Company") employed in the United States.

### **POLICY STATEMENT**

#### **Business Objective**

The purpose of this policy is to set forth the Company's policy regarding uniformed services leave and to assure fair and consistent treatment of employees, as well as assure compliance with federal or state laws regarding leave for employees in the uniformed services.

#### **Statement**

American Water is committed to protecting the job rights of employees absent on uniformed services leave. In accordance with federal and state law, it is the Company's policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, re-employment, promotion, or other benefit of employment on the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under this policy.

Uniformed Services include the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service commissioned corps, the reserve components of each of these services, as well as training and service in the Army National Guard and Air National Guard. Questions regarding the Company's Uniformed Service Leave policy, applicable state and federal laws, and continuation of benefits should contact their local Human Resources department.

#### **Temporary (Two-Week) Uniformed Service Leave**

Eligible employees who must be absent from their job to participate in temporary uniformed duty are entitled to up to ten days unpaid uniformed leave per year. All benefits will continue during an employee's temporary uniformed leave.

#### **All Other (Extended) Uniformed Service Leave**

Employees directed by any of the organizations identified in paragraph two above to participate in extended Uniformed Service duties that exceed ten working days will be placed on a paid leave of absence status for the length of their tour, not to exceed two (2) years and will eligible for an unpaid leave for a period of as long as three (3) additional years, not to exceed a total of five (5) years of paid and unpaid leave, and will be entitled to the rights and benefits described below, subject to the procedures outlined below. All paid leave shall be reduced by any military pay received.



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### **Leave Related to Exigency or to Care for a Family Member Injured while on Active Duty**

Employees may be eligible for leave under the Company's Family and Medical Leave Policy if a family member is called to active duty or becomes seriously injured or ill while on active military duty. Employees should review the Family and Medical Leave Policy and discuss eligibility with their local Human Resources department.

### **Benefits Continuation**

If an employee is absent from work due to an extended uniformed service requirement, benefits will continue as follows:

1. An employee on extended uniformed leave may elect to continue group health insurance coverage (including dental coverage) for the employee and covered dependents under the same terms and conditions for a period not to exceed 24 months from the date the uniformed leave of absence begins. Each pay period, the employee must pay the premium normally paid by the employee through payroll deduction. After the initial 24 month period, the employee and covered dependents can continue group health insurance under COBRA at 100% of the overall (both employer and employee) premium rate.
2. The group term life and Long-Term Disability insurance provided by the Company will continue for a period not to exceed one (1) year from the date active duty begins. The monthly benefit paid by the LTD plan would be reduced by any military disability pay received from the government
3. Accidental Death and Dismemberment insurance is subject to a war exclusion and no benefits can be paid in the event of death.
4. Employees do not accrue vacation, personal leave or sick leave while on uniformed leave of absence status.
5. An employee on paid extended uniform leave can continue his or her participation in the Company's retirement plans the same as if the employee was at work and the Company will contribute its associated match. With respect to the Company's retirement plan, upon re-employment, the employee will be credited for purposes of vesting with the time spent in unpaid uniformed service leave and will be treated as not having incurred a break in service consistent with the requirements of both the Uniformed Service Employment and Reemployment Rights Act (USERRA) and the Employee Retirement Income Security Act (ERISA). In addition, immediately upon re-employment, the employee may, at the employee's election, make any or all employee contributions that the employee would have been eligible to make had the employee's employment not been interrupted by unpaid uniformed service leave. Such contributions must be made within a period that begins with the employee's re-employment and that is not greater in duration than three times the length of the employee's uniformed service or (5) years consistent with the Employee Retirement and Income Security Act (ERISA). The employees will receive all associated Company match for his or her contributions.
6. Voluntary supplemental life/AD&D insurance will terminate the day the employee becomes active in uniformed service. An employee may choose to convert to an individual policy and continue voluntary dependent life insurance coverage. To exercise this conversion option, dependents must submit a written application and the first



## AMERICAN WATER

premium payment within 31 days immediately following the termination of coverage to the Employee Benefits Center.

7. Loan repayments will continue to be deducted from an employee's paycheck as long as the employee is receiving a full pay (employer pay plus military pay).

8. Employees covered by this policy who are currently on active duty and whose active duty began prior to the approval of this policy, will be grandfathered into this policy upon approval of this policy

### **Reporting Back to Work**

If the employee's uniformed service is 30 days or less the employee must report back to work by the beginning of the first regularly scheduled work day that falls eight (8) hours after the calendar day of the employee's release from active uniformed service. However, if the employee's uniformed service extends beyond 30 days, the employee is expected to make an application for re-employment.

Upon an employee's prompt application for re-employment, an employee will be reinstated to employment in the following manner depending upon the employee's period of uniformed service:

1. Less than 91 days of uniformed service - (i) in a position that the employee would have attained if employment had not been interrupted by uniformed service; or (ii) if found not qualified for such position after reasonable efforts by the Company, in the position in which the employee had been employed prior to uniformed service.

2. More than 90 days and less than 5 years of uniformed service - (i) in a position that the employee would have attained if employment had not been interrupted by uniformed service or a position of like seniority, status and pay, with duties the employee is qualified to perform; or (ii) if proved not qualified after reasonable efforts by the Company, in the position the employee left, or a position of like seniority, status and pay and duties the employee is qualified to perform.

3. Employee with a service-connected disability - if after reasonable accommodation efforts by the Company, an employee with a service-connected disability is not qualified for employment in the position he or she would have attained or in the position that he or she left, the employee will be employed in (i) any other position of similar seniority, status and pay for which the employee is qualified or could become qualified with reasonable efforts by the Company; or (ii) if no such position exists, in the nearest approximation consistent with the circumstances of the employee's situation.

### **Exceptions to Re-Employment**

In addition to the employee's failure to apply for re-employment in a timely manner, as defined in the Uniformed Service Leave Practice, an employee may not be entitled to reinstatement as described above if any of the following conditions exist:

1. The Company's circumstances have so changed as to make re-employment impossible or unreasonable;



## AMERICAN WATER

2. The employee's employment prior to the uniformed service was merely for a brief, non-recurrent period and there was no reasonable expectation that the employment would have continued indefinitely or for a significant period; or,
3. The employee did not receive an honorable discharge from uniformed service.

### **General Benefits upon Re-Employment**

Employees re-employed following uniformed service leave will receive seniority and other benefits determined by seniority that the employee had at the beginning of the uniformed service leave, plus any additional seniority and benefits the employee would have attained, with reasonable certainty, had the individual remained continuously employed. In addition, an employee's time spent on active uniformed duty will be counted toward their eligibility for FMLA leave once they return to their job at American Water.

### **Documentation**

An employee's manager, will, upon the employee's reapplication for employment, request that the employee provide the Company with discharge documentation that establishes the timeliness of the application for re-employment and length and character of the employee's uniformed service.

### **Reporting Alleged Violations of this Policy**

If any employee believes that he or she has been subjected to discrimination in violation of this policy, the employee should immediately contact his or her local Human Resources department.

### **MONITORING**

All employees are responsible for assuring their own actions are in compliance with this policy.

The immediate supervisor and local Human Resources are responsible for approving and monitoring compliance with the policy.

### **REPORTING/METRICS**

Local Human Resources will track and report to the Regional President annually the number of employees currently out on uniformed services leave and any disciplinary actions under this policy.

### **CONSEQUENCE OF NON-COMPLIANCE**

Employees who knowingly violate this policy may lose their eligibility for uniformed services leave, eligibility for benefits continuation and/or the right to re-employment and may also be subject to disciplinary action up to and including termination from employment.

### **WAIVER**

Any exceptions to this policy must be approved in advance by the Senior Vice President of Human Resources, or her or his designee.

### **REFERENCES**

Uniformed Service Leave Practice

Uniformed Services Leave  
Human Resources  
Frank Jackson

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Policy Number hrs\_stf\_po\_07\_userra\_2008\_09\_18  
Date Adopted: September 18, 2008



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Uniformed Services Employment and Reemployment Rights Act  
Employee Retirement and Income Security Act  
Leave of Absence Form  
Separation of Employment Policy  
Separation of Practice

**DEFINITIONS**

Application for Reemployment – For purposes of this policy only, an application for reemployment shall include a signed and dated letter from the employee requesting re-employment, documentation that the employee has not exceeded the five-year service limitation and documentation that the employee's separation from service was other than disqualifying under § 4304 of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

**REVIEW/UPDATE**

This policy will be reviewed every 3 years.

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**Approved by:**

Indicate: Service Company Board

Original Adopted: November 16, 2007

Revised Adopted: September 18, 2008

Date of Last Review: September 18, 2008

Effective Date: September 18, 2008

**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein





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Title: **Violence Free Workplace Policy**  
Functional Area: **Human Resources**  
Policy Number: **hrs\_emp\_po\_03\_violencefree\_2010\_10\_30**

### **SCOPE**

This policy applies to American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company"). in the United States. This policy also covers vendors, customers, or others who enter American Water workplace. Workplace includes facilities owned or leased by American Water as well as any place where American Water does business. This policy also applies to participation in business trips, meetings or social events, regardless of location.

### **POLICY STATEMENT**

#### **Business Objective**

It is the intent of American Water to provide our employees a workplace that is safe and minimizes the risk of violence.

#### **Statement**

American Water expects all employees to treat co-workers, vendors, customers and visitors with courtesy and respect. Conduct that may expose an individual to unnecessary harm, including, but certainly not limited to horseplay, fighting, taunting and any similar behavior is prohibited. Making threats and/or attempting to intimidate or coerce a co-worker, vendor, customer or visitor is also prohibited. All threats or acts of violence, even if occurring off the Company's premises, involving anyone who is acting in the capacity of a Company representative is also prohibited. Similarly, firearms, weapons or any other hazardous or dangerous devices or substances are also prohibited from any Company premises except as otherwise required by law.

### **MONITORING**

It is the responsibility of every employee and supervisor to monitor this compliance with this policy and report any non-compliance.

### **REPORTING/METRICS**

Local Human Resources will track all violations of this policy and report metrics to the State President and/or Corporate Human Resources, as requested.

Corporate Human Resources will report all violations of this policy to the Board, as requested .

### **CONSEQUENCE OF NON-COMPLIANCE**

Any employee who violates or circumvents this policy may be subject to disciplinary action up to and including termination. Although the Company's ability to discipline individuals who are not employees (e.g. customer, vendor or visitor) is limited by the degree of control, if any, that the Company has over those individuals, appropriate action will be taken.



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**WAIVER**

There are no waivers under this policy

**REFERENCES**

American Water's Code of Ethics  
Workplace Conduct and Behavior Policy  
Workplace Conduct and Behavior Practice

**DEFINITIONS**

**Company Premises** – “Company premises” includes anything owned, leased, or rented by the Company, including property, buildings, equipment, vehicles, work sites and parking lots. The Company reserves the right to search any vehicle, personal property or person..

**REVIEW/UPDATE**

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals.

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**Approved by:**

Service Company Board

Original Adopted: November 2, 2006

Revised Adopted: November 1, 2010

Date of Last Review: November 1, 2010

Effective Date: November 1, 2010

**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is “at-will”. That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.



## AMERICAN WATER

**Title:** Workplace Conduct and Behavior Policy  
**Functional Area:** Human Resources  
**Policy Number:** hrs\_emp\_po\_10\_wrkplaceconduct\_2010\_11\_01

### SCOPE

Except as stated otherwise in respective collective bargaining agreements, this policy applies to American Water Works Company, Inc. and its controlled subsidiaries (together "American Water" or the "Company").

### POLICY STATEMENT

#### Business Objective

It is the intent of American Water that its employees maintain a working environment that encourages mutual respect among employees and is free from all forms of harassment and violence.

#### Statement

Employees are expected to conduct themselves in a professional and appropriate manner, consistent with American Water policies. Employees should be able to conduct their work without disorderly or undue interference from other employees.

Employees are responsible for assuring the security of Company confidential/proprietary material in their possession and similarly maintaining the security of Company-provided equipment. Employees concerned for the security of their work area or equipment must inform their supervisor of such concerns.

Employees are responsible for complying with the American Water Code of Ethics. Employees who observe or have knowledge of any violations of the Code of Ethics must report it.

Employees are expected to abide by all Company policies, whether corporate or local, as well as all legal and regulatory requirements. The Company may determine and apply whatever corrective action it deems appropriate, up to and including termination from employment, for inappropriate conduct, policy violations or other performance related matters. General disciplinary guidelines are defined in the Workplace Conduct and Behavior Practice. However, depending on the nature of the infraction, the Company, at its sole discretion, may use any of the following levels of corrective action as it deems appropriate, including, but not limited to:

- Coaching or counseling,
- Written warning,
- Final Warning,
- Suspension with or without pay,
- Termination

The Company will be piloting a slightly modified approach for managing workplace conduct and behavior starting in late 2010 or early 2011. In those areas where the pilot will run, we will still expect employees to abide by all Company and local policies and practices and engage in appropriate behavior in the workplace. We will expect employees to exercise self-discipline and self direction to achieve goals. We will further expect employees to hold themselves



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accountable for their actions and performance and understand the consequences of negative behavior and performance.

For those areas in the pilot, the Company, at its sole discretion, will generally follow the following course of action to address performance and behavior issues:

- Coaching or counseling,
- Tier 1 Reminder,
- Tier 2 Reminder,
- Decision Making Leave,
- Termination

When conduct, policy violations, safety violations or other performance related matters warrant corrective action, supervisors should consult their department manager and/or local Human Resources to determine appropriate corrective action.

Prior discipline will only be considered in future disciplinary matters as appropriate and/or in accordance with the terms of an applicable Collective bargaining Agreement.

The Company reserves the right, at its sole discretion, to either waive, lessen or increase the action taken depending on the circumstances involved.

### **MONITORING**

Employees are responsible for their own conduct, for being aware of Company policy regarding behavior and for compliance with all Company policies and directives.

Supervisors, in consultation with local Human Resources, are responsible for administering this policy.

Local Human Resources are responsible for assuring compliance with this policy.

### **REPORTING/METRICS**

There are no reporting requirements.

### **CONSEQUENCE OF NON-COMPLIANCE**

Any employee who violates or circumvents this policy may be subject to disciplinary action up to and including termination.

### **WAIVER**

There are no waivers under this policy.

### **REFERENCES**

#### Code of Ethics

Violence Free Workplace Policy

Harassment Free Workplace Policy

Drug and Alcohol-free Workplace Policy

Health and Safety Policy

Workplace Conduct and Behavior Policy

Human Resources

Policy Sponsor: Robert McKeage

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Policy Number: hrs\_emp\_po\_10\_wrkplaceconduct\_2010\_11\_01  
Date Revised Adopted: November 1, 2010



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Workplace Conduct and Behaviors Practice  
Health and Safety Procedures Manual

Personal Accountability and Responsibility Practice (pending)

**DEFINITIONS**

None

**REVIEW/UPDATE**

This policy will be reviewed and revised as necessary, not to exceed 3 year intervals.

**Approved by:**

Service Company Board

Original Adopted: February 8, 2007

Revised Adopted: November 1, 2010

Date of Last Review: November 1, 2010

Effective Date: November 1, 2010

**Prepared By: Human Resources**

**Disclaimer**

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board has the authority to enter into any agreement contrary to this Policy.

This policy is not intended to create any contractual rights or duties and will be applied at the Company's sole discretion.

Employment with the Company is "at-will". That means that either you or the Company can terminate employment at any time, for any reason or no reason at all, with or without cause or notice.

Neither this policy nor any oral statement will create a right of continued employment. Any employment contract must be in writing and must be signed by the President of American Water, or his or her designee.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.

**APPENDIX B**

## 2010 DIVERSITY ACTIVITIES - PA HUMAN RESOURCES

HR TEAM MEMBER	TYPE OF ACTIVITY/MEMBERSHIPS	DATE ATTENDED	LOCATION
Nellie Murphy	Member of Greater WB Chamber Roundtable on Diversity	Second Friday of the month	Wilkes Barre
Ed Tucker	Met with Veteran's Representative at Clarion Career Link	6/10/2010	Clarion, PA
Michelle Young	WPDI (Western PA Diversity Initiative) Annual Meeting	3/25/2010	Pittsburgh, PA
Nellie Murphy	Met with Luzerne Community College Internship Program	4/14/10	Nanticoke, PA
Dawn Roberts	Boiling Springs High School Career Information Seminars	5/26/10 & 5/27/10	
Susan Caruso and Michelle Young	WPDI Symposium, Creating a Diversity Plan	6/9/2010	Pittsburgh, PA
Ed Tucker & Anna Berg	Met with California University of PA - Internship Program	6/11/2010	McMurray, PA
Ed Tucker	Met with Southwest Training Agency	6/24/2010	Washington, PA
Human Resource Staff	Affirmative Action Webinar - Statistical Reports Review	6/24/2010	McMurray, Hershey, Wilkes Barre
Susan Caruso and Michelle Young	PHRA (Pittsburgh Human Resources Association) Annual Conference - Diversity Topics included Gender, Race and Age	09/21/10, 09/22/10	Pittsburgh, PA
Anna Berg & Ed Tucker	Professional Development - Best Practices in Diversity and Inclusion; The UPMC Approach	9/23/2010	LaRoche College, Pittsburgh
Anna Berg	Created AAP presentation to share with Management staff regarding non-discrimination practices in hiring	10/13/2010	McMurray Ops Staff Meeting
Ed Tucker	Scheduled to attend WPA Diversity Initiative seminar: Talent Has No Boundaries Workforce Diversity Includes Workers with Disabilities	10/27/2010	Pittsburgh, PA
Dawn Roberts/ Nellie Murphy	Diversity & AAPs and Recruitment activities training with managers, supervisors	11/23/2010	Conf Call
Dawn Roberts/ Nellie Murphy	Diversity & AAPs and Recruitment activities training with managers, supervisors	12/2/2010	Conf Call
Anna Berg	Diversity & AAPs and Recruitment activities training with managers, supervisors	11/13/2010	Lippert Monthly Meeting in McMurray Office
Anna Berg	Diversity & AAPs and Recruitment activities training with managers, supervisors	11/14/2010	Conf Call (W PA)

## 2011 DIVERSITY ACTIVITIES - PA HUMAN RESOURCES

HR TEAM MEMBER	TYPE OF ACTIVITY/MEMBERSHIPS	DATE ATTENDED
Ed Tucker	Diversity Initiative with WPDI	1/25/2011
Nellie Murphy	Strategic Diversity Seminar	5/24 & 5/25/11
Nellie Murphy	DOL Surviving an Audit	6/16/2011
Michelle Young	Making Workplace Diversity	3/31/2011
and Anna Berg	Work for You	
Anna Berg and	Pgh. Diversity Council meeting	5/5/2011
Michelle Young		
Ed Tucker and	Met with Rob Hodapp DOL, Vocational Rep	6/28/2011
Ed Tucker and	National Diversity Council	9/16/2011
Michelle Young	Pittsburgh Conference	
Michelle Young	WPDI Social Media	9/28/2011
	and Diversity meeting	
	Program: A Strategic Approach to Diversity & inclusion	
Dawn Roberts	Personal contact with Neal Holmes, President	9/27/2011
	& CEO WPA Diversity Initiative	
Ed Tucker	Personal contact with John Bittner, Veterans	10/3/2011
	Rep Career Link	
Ed Tucker	Personal contact with Gloria Smith, Veterans	9/23/2011
	Rep Career Link	
Ed Tucker	Personal Contact with Christopher Cavendish	9/20/2011
	WPA Career Transition Services/Job Corp	
Ed Tucker	Career Link	Part of Project Water Ways
Dawn Roberts	Career Link	Part of Project Water Ways
Dawn Roberts	Career Link	Part of Project Water Ways
Dawn Roberts	Career Link	Part of Project Water Ways
Dawn Roberts	Keystone Job Corp	email sent 7/27
Dawn Roberts	Department of Veterans Affairs	Sent Letters 7/27
		Left Message 7/26/11, email sent 7/27
Dawn Roberts	League of Women Voters	7/27
Dawn Roberts	Arcadia - Career Development Office	email sent 7/27
		Spoke to and sent email to Mary on 7/26/11
Dawn Roberts	AHEDD	work with Career Link, sent letter 7/27
Dawn Roberts	Office of Vocational Rehabilitation	7/27
Dawn Roberts	Bloomsburg University - Career Office	Sent Letters 7/27
		Left Message 7/26/11, email sent 7/27, left message 8/2
Dawn Roberts	AHEDD	7/27, left message 8/2
Dawn Roberts	Johnson College	email sent 7/27
		Left Message 7/26/11, email sent 7/27
Dawn Roberts	AHEDD	7/27
Dawn Roberts	NAACP	Spoke and sent email on 7/27
		work with Career Link, sent letter 7/27
Dawn Roberts	Office of Vocational Rehabilitation	7/27
Dawn Roberts	NAACP	left message 7/27, sent letter
		work with Career Link, sent letter 7/27
Dawn Roberts	Office of Vocational Rehabilitation	7/27



Dawn Roberts	League of Women Voters	Left Message 7/26/11, email sent 7/27
Dawn Roberts	Hispanic Chamber of Commerce	Left message 7/27, email sent, spoke to 8/2
Dawn Roberts	Dickinson - Career Development	email sent 7/27
Dawn Roberts	Shippensburg University Rife Alumni House	email sent 7/27
Dawn Roberts	Career Link	Part of Project Water Ways
Dawn Roberts	AHEDD	Left Message, no return call, email sent 7/27
Dawn Roberts	Office of Vocational Rehabilitation	work with Career Link, sent letter 7/27
Dawn Roberts	Office of Vocational Rehabilitation	work with Career Link, sent letter 7/27
Dawn Roberts	AHEDD	Left Message 7/26/11, email sent 7/27
Dawn Roberts	Crispus Attucks Center	spoke to, Sent Email
Dawn Roberts	IUP - Career Development Office	email sent 7/27
Dawn Roberts	Office of Vocational Rehabilitation	work with Career Link, sent letter 7/27
Dawn Roberts	NAACP	Sent Letters 7/27
Dawn Roberts	NAACP	Sent Letters 7/27
Dawn Roberts	NAACP	Sent Letters 7/27
Dawn Roberts	NAACP	Sent Letters 7/27
Dawn Roberts	League of Women Voters	email sent 7/27
Dawn Roberts	Harrisburg Young Professionals	email sent 7/27
Dawn Roberts	League of Women Voters	Sent Letters 7/27
Dawn Roberts	Luzerne Community College	email sent 7/27
Dawn Roberts	NAACP	Sent Letters 7/27
Dawn Roberts	NAACP	Sent Letters 7/27
Dawn Roberts	LCBC	10/11/11 - Employee from congregation contacted Pastor, no response, video emailed 10/21/11 received response they are on our contact list now
Dawn Roberts	LCBC	10/21/2011 spoke with Ray Luppe about opportunities to hire VETS
Ed Tucker	Employer Partnership of the Armed Forces	10/24/2011 spoke with Tracie Brown to set up a Technical Assistance Meeting
Ed Tucker	OFCCP	Visit 11/15/11
Dawn Roberts	OFCCP	Visit 11/15/11
Dawn Roberts	Lighthouse of God/ Joy Peete	Visit 10/30/11
Nellie Murphy	OFCCP	Visit 11/15/11
Dawn Roberts	Carlisle Christian Fellowship	Visit 10/31/11
Dawn Roberts	St Francis of Assisi	Spoke to Carol Fagan 11/2/11
Ed Tucker	OFCCP	11/8/2011 spoke with Philemon Rheins to set of tentative date for a face to face meeting.
Ed Tucker	OFCCP	11/8/2011 spoke with Deacon Don Scott and sent him information on opportunities at PAWC he will post the information for the general congregation.
Ed Tucker	Central Baptist Church	

Anna Berg	Pittsburgh Diversity Council Advisory Board	Monthly meetings via Conference Call - Attended 9-1-11 & 12-1-11, Project Waterways meeting via conference Call 5/12/11
Anna Berg	Career Link Rob Hodapp - DOL Office of Vocational Rehab - Informational Discussion re Hiring Needs	
Anna Berg		6/28/2011

**LOCATION**

Pittsburgh, PA  
Boston, PA  
Scranton, PA  
webinar

Pittsburgh, PA

McMurray, PA  
Monroeville, PA

Pittsburgh, PA

Harrisburg, SHRM

Pittsburgh, PA

Pittsburgh, PA

Pittsburgh, PA

Pittsburgh, PA  
Pottsville, Pa 17901  
Wilkes-Barre, Pa 18711  
Wilkes-Barre, Pa 18711  
Hazleton, Pa 18201  
Drums, Pa 18222  
Philadelphia, Pa 19101

Philadelphia, Pa 19119  
Glenside, Pa 19038

Jenkintown, Pa 19046

Norristown, Pa 19401  
Bloomsburg, Pa

Pottsville, Pa 17901  
Scranton, Pa 18508

Wyomissing, Pa 19610  
Coatesville, Pa 19320

Reading, Pa 19605  
West Chester, Pa 19381

Allentown, Pa 18102

Harrisburg, Pa 17102

Harrisburg, Pa 17102  
Carlisle, Pa 17013  
Shippensburg, Pa 17257  
Lancaster, Pa 17603

Camp Hill, Pa 17011

York, Pa 17402

Harrisburg, Pa 17101

York, Pa 17402  
York, Pa 17403  
Indiana, Pa 15705

Altoona, Pa 16601  
York, Pa 17405  
Lancaster, Pa 17603  
Millersville, Pa 17551  
Norristown, Pa  
Reading, Pa 19603-0434  
Harrisburg, Pa 17108  
Lancaster, Pa 17608-1261  
Wilkes-Barre, Pa 18711  
Harrisburg, Pa 17108  
University Park , Pa 16802

Harrisburg, Lancaster

PA

Pittsburgh, PA  
Philadelphia  
Carlisle, Pa 17013  
Philadelphia, Pa  
Carlisle, Pa 17013  
Harrisburg, Pa

Pittsburgh, PA

Central Baptist Church 2200  
Wylie Avenue Pittsburgh,  
PA 15219

Pittsburgh, PA

Hershey, PA

McMurray, PA



# The York Water Company

ORIGINAL

M-00940557

April 2, 2012

Secretary  
Pennsylvania Public Utility Commission  
P O Box 3265  
Harrisburg, PA 17105-3265

Dear Secretary:

We have herewith enclosed our annual Diversity Report.

Please let me know if you have any questions.

Very truly yours,

Bruce C. McIntosh  
Vice President - Human Resources

law  
Enclosure

2012 APR -4 PM 9:55  
SECRETARY'S BUREAU

REPORT ON DIVERSITY  
TO THE PENNSYLVANIA  
PUBLIC UTILITY  
COMMISSION

THE YORK WATER  
COMPANY

APRIL 2012

2012 APR 4 4:19:55  
SECRETARY'S OFFICE

**REPORT ON DIVERSITY  
TO THE PENNSYLVANIA  
PUBLIC UTILITY  
COMMISSION**

**HUMAN RESOURCES  
SECTION**

**THE YORK WATER  
COMPANY**

**APRIL 2012**



The York Water Company is proud of its efforts in being an equal opportunity employer. This pride is especially mindful in view of the fact the Company is not required to have an Affirmative Action Plan. The Company's efforts are part of its recognition, many years ago, that it was the proper thing to do to provide equal employment opportunities to all qualified persons.

The Company has in place a general policy promoting equal employment opportunity for all employees, and a comprehensive nondiscrimination clause in its collective bargaining agreement with the United Steelworkers of America.

We have carefully examined our employment practices and we do not use any standards, criteria or procedures which (1) have a disproportionate impact on protected groups or (2) which leave uncorrected the effects of past discrimination.

The Company's turnover remains relatively low, generally below 2% annually. When a position is available, various agencies may be notified of the opening. These agencies provide the information to the general public. Such agencies are: PA Career Link, Crispus Attucks Employment Center, local trade schools and colleges. Further, the Vice President-Human Resources is a member of a local human resources society, and serves on the Employment and Training Advisory Committee of Crispus Attucks.

The York Water Company is a small company with a stable full-time workforce of 108 employees. The average age of all employees is 48 years with 49 years being the average age of the Company's bargaining unit employees. The average length of service is about 14 years. With so little turnover, it is difficult to make dramatic changes in diversity statistics in the short term.

In comparing the attached Chart 2 with Chart 3, the following comments are necessary:

One of the reasons our utilization of female employees is low in the skilled craft worker and service and maintenance "categories" is the jobs in question have not attracted a great deal of interest from female applicants. No barriers exist which bar the employment of qualified females in such categories of employment, as evidenced by the fact that we do employ a female in a skilled manual job. However, few females have expressed interest in such positions.

As to all areas of employment, we will be sure that all advertisements for employment will contain the notice that The York Water Company is an equal opportunity employer and that we do not discriminate on the basis of race, color, sex, religion, national origin, age, disability, marital status, political affiliation, parental status or medical condition. Furthermore, efforts will continue to be made to recruit and employ qualified females in all categories of employment.

**Chart 1**

**WORKFORCE DIVERSITY STATUS REPORT  
THE YORK WATER COMPANY FULL-TIME WORKFORCE - DECEMBER 2010**

	Total Workforce				Female
	Black	SSO	White	Total	
A. Officials and Administrators	1	0	21	22	2
B. Professionals	0	0	4	4	2
C. Technicians	0	0	4	4	0
D. Protective Service Workers	0	0	0	0	0
E. Para-professionals	0	0	0	0	0
F. Office and Clerical	3	5	19	27	24
G. Skilled Craft Workers	7	6	38	51	5
H. Service and Maintenance	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>11</b>	<b>86</b>	<b>108</b>	<b>33</b>

**Chart 2**

	<u>York Water</u>	<u>York County Experienced Civilian Workforce</u>
Total Workforce	108	
Minority Workforce	22 (20.4%)	5.29%
Female Workforce	33 (30.6%)	45.55%

**Chart 3**

**WORKFORCE DIVERSITY STATUS REPORT  
THE YORK WATER COMPANY  
DECEMBER 2011  
FULL-TIME WORKFORCE STATED AS PERCENT**

	Total Workforce				Female
	Black	SSO	White	Total	
A. Officials and Administrators	4.6%	0	95.5%	100%	9.1%
B. Professionals	0	0	100%	100%	50.0%
C. Technicians	0	0	100%	100%	00.0%
D. Protective Service Workers	0	0	0	0	0
E. Para-professionals	0	0	0	0	0
F. Office and Clerical	11.1%	18.5%	70.4%	100%	88.9%
G. Skilled Craft Workers	13.7%	11.8%	74.5%	100%	9.8%
H. Service and Maintenance	0%	0%	0%	0%	0
<b>Total</b>	<b>10.2%</b>	<b>10.2%</b>	<b>79.6%</b>	<b>100%</b>	<b>30.6%</b>

**Chart 4**

	York Water	York County Experienced Civilian Labor Force
Total Workforce	108	
White Workforce	86 (79.6%)	94.72%
Black Workforce	11 (10.2%)	2.99%
SSO Workforce	11 (10.2%)	2.30%
Female	33 (30.6%)	45.55%

**Chart 5**

**YORK S.M.S.A.  
EXPERIENCED CIVILIAN LABOR FORCE  
STATED AS PERCENTAGE**

	Total Workforce				Females
	Black	SSO	White	Total	
A. Officials and Administrators	1.72%	1.05%	97.23%		35.75%
B. Professionals	1.96%	1.41%	96.63%		53.53%
C. Technicians	1.73%	1.73%	96.55%		58.27%
D. Protective Service Workers	X	X	X		X
E. Para-professionals	X	X	X		X
F. Office and Clerical	2.65%	1.49%	95.86%		78.38%
G. Skilled Craft Workers	2.87%	3.00%	94.13%		20.43%
H. Service and Maintenance	5.30%	3.48%	91.22%		52.00%

The following occupational groupings were used for this chart:

- A. = Executive, Administrative and Managerial
- B. = Professionals - Engineer
- C. = Technicians and Related Support Occupations
- F. = Administrative Support Including Clerical
- G. = Precision Production Occupations
- H. = Handlers, Cleaners, Helpers and Laborers

All figures are taken from the 2000 United States Census Bureau EEO Residence Data information for York County of Pennsylvania. The Information from the 2010 Census was not available at the time of this report.

## Chart 6

### COMPARISON OF YORK WATER COMPANY FULL-TIME WORKFORCE DECEMBER 2010 WITH YORK MSA EXPERIENCED CIVILIAN LABOR FORCE FOR RELEVANT JOB GROUPINGS

Part 1. Categories where The York Water Company's workforce experience substantially meets or exceeds utilization experience for York MSA:

- A) Minority Employment
  - 1. Officials and Administrators
  - 2. Office and Clerical
  - 3. Skilled Craft Workers
- B) Female Employment
  - 1. Office and Clerical Workers

Part 2. Categories where The York Water Company's workforce experience evidences a superficial statistical underutilization of particular relevant job groupings.

- A) Minority Employment
  - 1. Professionals
  - 2. Technicians
- B) Female Employment
  - 1. Professionals (50% v. 53.53%)
  - 2. Technicians (0% v. 58.27%)
  - 3. Service and Maintenance Workers (0% v. 52%)
  - 4. Officials and Administrators (9.1% v. 35.75%)
  - 5. Skilled Craft Workers (9.8% v. 20.43%)

Mr. Mike Jefferson  
Crispus Attucks Center  
605 South Duke Street  
York, PA 17403

Team PA Careerlink  
841 Vogelsong Road  
York, PA 17404

THE YORK WATER COMPANY  
Policy

Approved by: Jeffrey R. Hines	File: Equal Opportunity
Date: January 1971	
Revision: #4 January 1, 2011	Page 1 of 1

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**EQUAL OPPORTUNITY**

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The York Water Company is committed to fostering a policy of equal employment opportunity for all employees and applicants for employment. The Company is strengthened by the full range of talents that each employee brings to the workplace in accomplishing our mission to provide the best quality water and service at a reasonable price while providing a fair return to our shareholders. A diverse workforce that reflects our community strengthens the Company by providing different perspectives and solutions to work-related challenges.

All persons have the right to work or advance on the basis of merit, ability and potential, free from social, personal or institutional barriers of prohibited discrimination. Managers and supervisors must acknowledge the value and dignity of their employees. Every employee should be treated with respect, should have the opportunity to achieve the highest grade or level of responsibility according to his or her potential, and should be encouraged to contribute fully to The York Water Company's mission.

Managers, supervisors and employees must understand and identify unlawful conduct and fulfill their obligation to prevent prohibited discrimination and take immediate corrective action, including discipline, where appropriate. Employees who perceive they are being subjected to prohibited discrimination should report the matter to an appropriate authority. The York Water Company supports the rights of all employees to exercise their statutory rights.

Managers must make selections for Company sponsored training and career development programs, merit promotion actions, compensation, benefits, awards, and other types of recognition and personnel actions in accordance with sound personnel management practices and without regard to race, color, sex, religion, national origin, age, disability, marital status, political affiliation, parental status, medical condition, or genetic information.

The York Water Company encourages all employees to strive for, achieve and maintain a positive workplace environment. This is vital to the Company's mission.

CO= BQ48990  
 U= BQ48990

**EQUAL EMPLOYMENT OPPORTUNITY**  
**2011 EMPLOYER INFORMATION REPORT**  
**SINGLE ESTABLISHMENT REPORT - TYPE 1**

**SECTION B - COMPANY IDENTIFICATION**

1. YORK WATER COMPANY, THE  
 130 EAST MARKET STREET  
 BOX 15069  
 YORK, PA 17401

2. YORK WATER COMPANY, THE  
 130 EAST MARKET STREET  
 BOX 15069  
 YORK, PA 17401  
 YORK COUNTY  
 C. Y

**SECTION C - TEST FOR FILING REQUIREMENT**

1-Y 2-N 3-N DUNS NO.:

**SECTION E - ESTABLISHMENT INFORMATION**

NAICS: 221310 Water Supply and Irrigation Systems

**SECTION D - EMPLOYMENT DATA**

JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO											OVERALL TOTALS	
			***** MALE *****						***** FEMALE *****						
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE		TWO OR MORE RACES
EXECUTIVE (IN OFFICES & MINIS)	0	0	5	1	0	0	0	0	1	0	0	0	0	0	7
FIRST/MID OFFICIALS & MANAG	0	0	14	0	0	0	0	0	1	0	0	0	0	0	15
PROFESSIONALS	0	0	2	0	0	0	0	0	2	0	0	0	0	0	4
TECHNICIANS	0	0	4	0	0	0	0	0	0	0	0	0	0	0	4
SALES WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADMINISTRATIVE SUPPORT	0	5	2	1	0	0	0	0	17	2	0	0	0	0	27
CRAFT WORKERS	3	0	25	4	0	0	0	0	4	0	0	0	0	0	36
OPERATIVES	3	0	8	3	0	0	0	0	1	0	0	0	0	0	15
LABORERS & HELPERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SERVICE WORKERS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6</b>	<b>5</b>	<b>60</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103</b>
PREVIOUS REPORT TOTAL	7	4	61	9	0	0	0	0	27	3	0	0	0	0	111

**SECTION F - REMARKS**

DATES OF PAYROLL PERIOD: 09/26/2011 THRU 09/03/2011

**SECTION G - CERTIFICATION**

CERTIFYING OFFICIAL: BRUCE MCINTOSH  
 EEO-1 REPORT CONTACT PERSON: BRUCE MCINTOSH  
 EMAIL: bruce.m@yorkwater.com

TITLE: VICE PRES. - HUMAN RESOURCES  
 TITLE: VICE PRES. - HUMAN RESOURCES  
 TELEPHONE NO: 7177132941

CERTIFIED DATE(EST): 06/30/2011 02:20 PM



THE YORK WATER COMPANY  
Policy

Approved by: Jeffrey R. Hines	File: Harassment
Date: December 10, 1998	
Revision: #2 - December 15, 2009	Page 1 of 3

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**HARASSMENT**

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1. **Statement of Philosophy.** York Water Company has a long-standing policy of ensuring an environment that respects the dignity and worth of each individual and is free from all forms of unlawful employment discrimination, including sexual harassment and harassment because of race, color, gender, age, religion, national origin, sexual orientation, disability, veteran status or any other characteristic protected by law.

2. **Discriminatory Harassment Prohibited.** Discriminatory harassment, including sexual harassment, will not be tolerated by the Company. This policy applies to all harassment occurring in a work environment in any location where employees are engaged in business on behalf of the Company. This policy covers all officers, directors and employees of the Company and third parties over whom the Company has control.<sup>1</sup>

3. **Sexual Harassment Defined.** For purposes of this policy, sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is either explicitly or implicitly made a term or condition of an individual's employment; or
- submission to or rejection of such conduct is used as the basis for employment decisions affecting the individual; or
- such conduct has the purpose or effect of unreasonably interfering with an individual's performance or creating an intimidating, hostile, or offensive working environment.

Some examples of what may constitute sexual harassment are: threatening or taking adverse employment actions if sexual favors are not granted; demands for sexual favors in exchange for favorable or preferential treatment; unwelcome and repeated flirtations, propositions or advances; unwelcome physical contact; whistling, leering, improper gestures or offensive remarks, including unwelcome comments about appearance; sexual jokes or inappropriate use of sexually explicit or offensive language; and the display in the workplace of sexually suggestive objects or pictures. The above list is not intended to be all inclusive.

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<sup>1</sup> This policy covers unlawful discriminatory harassment by co-workers and non-employees to the extent that it affects the work environment or interferes with the performance of work. Anyone who believes that he or she has been subjected to such harassment is encouraged to report the problem using the procedures set forth in this policy. The Company will investigate a reported incident to the extent practicable and will take remedial action where appropriate.

Approved by: Jeffrey R. Hines	File: Harassment
Date: December 10, 1998	
Revision: December 15, 2009	Page 2 of 3

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## HARASSMENT

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4. **Other Harassment Defined.** For purposes of this policy, other harassment is defined as verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, gender, age, religion, national origin, sexual orientation, disability, veteran status or any other characteristic protected by law, and that:

- has the purpose or effect of creating an intimidating, hostile, or offensive work environment; or
- has the purpose or effect of unreasonably interfering with an individual's work performance.

Some examples of such harassment are: using epithets or slurs; threatening, intimidating or engaging in hostile acts that focus on a protected characteristic, including jokes or pranks; placing on walls, bulletin boards or elsewhere on the Company's premises, or circulating in the workplace written or graphic material that denigrates or shows hostility or aversion toward a person or group because of a protected characteristic.

5. **Consensual Relationships.** Consensual romantic and/or sexual relationships between a director or manager, and an employee, or between an employee with supervisory authority, and his or her subordinate, will compromise the Company's ability to enforce its policy against sexual harassment. Consequently, if such relationships arise they will be considered carefully by the Company, and appropriate action will be taken. Such action may include a change in the responsibilities of the individuals involved in such relationships or transfer of location within the office to diminish or eliminate the supervisory relationship and workplace contact that may exist. Any manager or supervisory employee involved in such a relationship is required to report the relationship to his or her supervisor, and to either the Vice President-Human Resources or to the President/CEO.

6. **Reporting Discriminatory Harassment.** The Company encourages strongly the prompt reporting of all incidents of discriminatory harassment. If you believe you are being harassed or have observed harassment, the Company encourages you to notify promptly your supervisor, the Vice President of Human Resources, the President/CEO of the Company, or any other supervisor, manager or officer of the Company with whom you feel comfortable.

THE YORK WATER COMPANY  
Policy

Approved by: Jeffrey R. Hines	File: Harassment
Date: December 10, 1998	
Revision: December 15, 2009	Page 3 of 3

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**HARASSMENT**

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7. **Investigation of Reports.** When a report of harassment is made as specified above, the Company will undertake a prompt investigation as may be appropriate under the circumstances. The steps to be taken during the investigation cannot be fixed in advance, but will vary depending upon the nature of the allegations. Confidentiality will be maintained throughout the investigatory process to the extent practical and consistent with the Company's need to undertake a full investigation.

8. **Resolving the Matter.** Upon completion of the investigation, the outcome will be communicated to the reporting person(s) and alleged harasser, and remedial action taken, if appropriate.

Remedial action may include, but not be limited to, oral or written counseling, referral to formal counseling, disciplinary suspension or probation, or discharge from the Company.

9. **Non-Retaliation.** An individual who reports harassment, or who is involved in the investigation of harassment, will not be subject to reprisal or retaliation because of their good faith participation in the process. Of course, any person who knowingly and intentionally submits a false claim of harassment against another may be subject to remedial action. Retaliation is a serious violation of this policy and should be reported immediately. The reporting and investigation of allegations or retaliation will follow the procedure set forth in this policy. Any person found to have harassed someone in retaliation or for participating in an investigation of allegations of such conduct will be subject to appropriate disciplinary action.

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A G R E E M E N T

Between

THE YORK WATER COMPANY

- and -

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service  
Workers International Union

AFL - CIO - CLC

On behalf of

Local Union 1852-08

York, PA

Effective Date

July 8, 2010

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### **ARTICLE XVIII - MODIFICATION**

This Agreement, effective May 1, 2007, shall continue in full force and effect for a period of three (3) years, expiring April 30, 2010, and shall automatically renew itself from year to year, except that in the event that modification of the Company's Union Represented Employees Pension Plan, is desired on April 30, 2010, proper notice as described below shall be served by either party. This item alone shall be negotiable and the Union reserves the right to strike on the Pension Plan. If either party desires to terminate, modify, or otherwise change any of the terms of this Agreement, they must serve written notice upon the other party postmarked sixty (60) days prior to the April 30, 2010 anniversary date of this Agreement, and if sent by the Company shall be sent to the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC, Five Gateway Center, Pittsburgh, Pennsylvania 15222, and if the Union desires to notify the Company of their termination or modification of said Agreement, the same shall be sent to the President of The York Water Company, 130 East Market Street, York, Pennsylvania 17401.

### **ARTICLE XIX - EQUAL OPPORTUNITY**

It is the continuing policy of the Company and Union that the provisions of the Agreement shall be applied to all employees covered by this Agreement without discrimination on account of race, color, national origin, sex, age, creed, or non-job related handicap or disability.

**REPORT ON DIVERSITY  
TO THE PENNSYLVANIA  
PUBLIC UTILITY  
COMMISSION**

**PROCUREMENT  
SECTION**

**THE YORK WATER  
COMPANY**

**APRIL 2012**

THE YORK WATER COMPANY  
Policy

Approved by: Jeffrey R. Hines	File: Diversity in Procurement
Date: April 24, 1995	
Revision: #1 – December 14, 2010	Page 1 of 1

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**DIVERSITY IN PROCUREMENT**

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The York Water Company is committed to including minority-, women- and persons with disability-owned business enterprises in the competitive bidding process. Through collaborative, mutual partnerships, we afford minority-, women- and persons with disabilities-owned enterprises with meaningful opportunities to grow their businesses, while helping York Water achieve operational objectives.

It is our intent to reach out to MWDBE vendors and competitively canvass proposals for services. The Company will identify and educate potential suppliers, vendors and contractors regarding contracting opportunities and ensure MWDBE companies are represented in competitive solicitations. The Buyer will be responsible for maintaining records of MWDBE business enterprises. Annually, the VP, Human Resources, will issue a public notice seeking the names and qualifications of local, MWDBE vendors capable of providing the supplies and services the Company requires. All employees are encouraged to identify qualified disadvantaged business enterprises and provide the Buyer with contact information in order to expand our portfolio of qualified suppliers and contractors.

The York Water Company - Diversity Vendors - January 1, 2011 through December 31, 2011

Supplier Name	Diversity Group	Total Amount Purchased
ACE STEAM SPECIALTIES	Woman	1,100.00
BATTERY ASSOCIATES INC	Woman	2,545.75
BITUMINOUS PAVING MATERIALS OF YORK	Woman	13,096.36
BURKE ENTERPRISES	Woman	71.62
CDS TRAINING RESOURCES	Woman	1,660.40
CLEAN WAY	Woman	749.92
DELTA CHEMICAL CORP	Woman	176,891.64
FIRST CLASS WINDOW CLEANING	African American	1,139.50
INDUSTRIAL PIPING SYSTEMS INC	Woman	8,422.45
KLINE GRAPHIC DESIGN INC	Woman	97,648.01
LANCASTER TRUCK BODIES	African American	13,639.00
LAWCO, INC	Woman	340.00
NUTECH CONTROL PRODUCTS INC	Woman	7,603.25
ONE CALL NOW	Woman	3,309.90
PENN AIR & HYDRAULICS	Woman	4,128.10
SAFEGUARD BUSINESS SYSTEMS, INC.	Woman	5,295.62
SHILOH PAVING & EXCAVATING INC	Woman	13,267.29
STEBBINS, SUSAN	Woman	1,012.83
SUBURBAN ROOFING CO INC	Woman	3,569.00
THE MAIL LINK	Woman	200.00
VERTEX INC	Woman	3,105.80
YORKTOWNE BUSINESS FORMS INC	Woman	16,379.60
	Total Diversity \$\$\$	375,176.04



The York Water Company - Diversity Vendor Activity Spreadsheet								2/23/2012
January 1, 2011 through December 31, 2011								
Total \$ Purchased	Minority \$	% of Total	Woman-owned \$	% of Total	Physically Challenged \$	% of Total	Total M/W/DBE \$	% of the Total
12,842,735.62	14,778.50	0.12%	360,397.54	2.81%	0	0	375,176.04	2.92%
Total Amount Purchased - 2011- All Supplier Types								
	Supplier			5,795,896.22				
	Consulting Service			20,923.32				
	Sub-Contractor			7,025,916.08				
			Total	12,842,735.62				

**MISSION STATEMENT  
OF  
THE YORK WATER COMPANY**

The York Water Company is committed to providing our customers with safe, dependable, high-quality water and excellent service that meets or exceeds customer expectations at a reasonable rate in an environment encouraging our employees to achieve their highest standard of performance while earning a fair return for our shareholders.

**STRATEGIES**

**A. OVERALL**

1. Operate the Company in accordance with the current Operating Objectives; Public Affairs and Operating Policy; and, the Code of Ethics and Standard of Conduct Policy.

**B. CUSTOMERS**

1. Continually strive to provide superior, economical service to our customers.

**C. PRODUCT**

1. Continue to exceed all standards for water quality so as to insure that our customers receive a safe product.
2. Design and upgrade as necessary the company product delivery system so that our customers receive their water in a reliable way.

**D. EMPLOYEES**

1. Provide a safe, challenging and rewarding work environment.
2. Foster work force diversity.
3. Actively encourage teamwork.
4. Support and encourage employees to further their education and enhance their skills.
5. Be sensitive to employee's roles and needs as family members.
6. Support all employees in the development of their skills.
7. Encourage and foster communication among all employees.
8. Empower employees to make recommendations they think will improve the operational effectiveness and efficiency of the Company.
9. Encourage employees to volunteer for projects and causes which enhance the community.

**E. REGULATION/LEGISLATION**

1. Comply with or exceed regulatory requirements.
2. Help shape future direction of regulations and legislation to insure adequate, safe water for everyone.

**F. ENVIRONMENT**

1. Promote environmental awareness among our employees and the public.
2. Comply with environmental requirements.
3. Encourage our employees and customers to assume responsibility for the environment.
4. Encourage our customers to know, endorse and comply with the Company's water conservation program.

**G. COMMUNITY**

1. Assist financially and otherwise in addressing the economic, educational and social needs of the community.
2. Support and participate in community planning and development.
3. Reasonably expand into outlying communities in our Charter Area to help resolve water quality and supply issues.
4. Assist communities outside our Charter Area to evaluate their water needs and, if appropriate, make our service available.

**H. FINANCIAL**

1. Maintain a strong financial position so that the Company can continue to attract equity and debt capital at reasonable costs.
2. Achieve our mission at minimum cost.
3. Continue activities that identify and implement prudent cost reductions and containments.

**I. PROCUREMENT**

1. Promote diversity in procurement activities.
2. Encourage minority-owned, women-owned and persons with disabilities-owned businesses to provide proposals when the Company is purchasing materials or services.

## **OPERATING OBJECTIVES OF THE YORK WATER COMPANY**

1. Strive to provide high quality water meeting the standards of the Safe Drinking Water Act for adequate water service, to preserve the public health and to furnish reasonable fire protection to property.
2. Comply with all government laws and regulations, particularly and especially those dealing with the treatment of the environment, its customers, its employees and its shareholders.
3. Be honest and forthright in all its dealings with its employees, its customers, its shareholders and the public at large.
4. Operate in the public interest with the full recognition of its responsibilities and consistent with the highest business ethics.
5. Operate safely, efficiently, effectively and reliably its total system for providing water service to its customers.
6. Cooperate with the communities it serves.
7. Pledge equal treatment and fair consideration of all its customers and employees.
8. Provide education and encouragement to all customers concerning the importance of water conservation.
9. Encourage its employees to enhance their skills.
10. Assist the public in obtaining a correct understanding of its operations by keeping them fully informed of its problems and achievements.
11. Be cognizant of the rights and needs of the Company's shareholders, customers, employees and suppliers.
12. Maintain its property and equipment in good condition and appearance.

May 3, 1982  
Revised December 1989

THE YORK WATER COMPANY  
Policy

Approved by: Board of Directors	File: Public Affairs and Operating Policy
Date: May 3, 1982	
Revision:#1 – December 1989	Page 1 of 1

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**PUBLIC AFFAIRS AND OPERATING POLICY**

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The York Water Company is first and foremost committed to providing its service area with "that good York water" at the lowest possible cost operating under sound, honest business practices. Accordingly, the Company will meet the standards of the Safe Drinking Water Act for high quality water and will provide adequate water service for preservation of the public health and the furnishing of reasonable fire protection to property and will operate its total system for providing water service to its customers efficiently, effectively and reliably.

In addition, it is the intention of The York Water Company to continue to be a good corporate citizen of the communities in which it has facilities and in which it provides service. The good citizenship shall include, but not be limited to, requiring and expecting its officers, management and employees: To comply with all federal, state and local laws and regulations; to conduct themselves to the highest ethical standards, to always treat the Company's customers with respect and with compassion when needed; and to act as stewards of our natural resources and of the environment upon which we are dependent for our source of supply.

Further, The York Water Company realizes that its growth and prosperity as a corporation are dependent upon the growth and prosperity of the community it serves, and further recognizes that it has a responsibility for leadership and innovation in the local, state and national political, social and economic areas that affect its mandate for clean, plentiful and economically feasible water supplies. To this end the Company will encourage and recognize those employees who give of their time and resources to responsible community activities, will contribute financially within its budget to a variety of community needs, will cooperate with communities it serves in the best interests of all and will work with other local, state and national groups to enhance the quality of life and the environment in which it resides.

# THE YORK WATER COMPANY

## Policy

Approved by: Board of Directors	File: Code of Conduct
Date: February 24, 2003	
Revision:	Page 1 of 5

### CODE OF CONDUCT

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The reputation and integrity of The York Water Company (the "Company") are valuable assets that are vital to the Company's success. Each employee and Board member of the Company, including each of the Company's officers, is responsible for conducting the Company's business in a manner that demonstrates a commitment to the highest standards of integrity. No Code of Conduct can replace the thoughtful behavior of an ethical employee or Board member. The purpose of this Code is to focus employees and Board members on areas of ethical risk, provide guidance to help employees and Board members to recognize and deal with ethical issues, provide mechanisms for employees and Board members to report unethical conduct, and foster among employees and Board members a culture of honesty and accountability. Dishonest or unethical conduct or conduct that is illegal will constitute a violation of this Code, regardless of whether such conduct is specifically referenced herein.

The Company's Board of Directors is ultimately responsible for the implementation of the Code of Conduct. The Board has designated the Secretary to be the compliance officer (the "Compliance Officer") for the implementation and administration of the Code.

Questions regarding the application or interpretation of the Code of Conduct are inevitable. Employees and Board members should feel free to direct questions to the Compliance Officer. In addition, employees and Board members who observe, learn of, or, in good faith, suspect a violation of the Code, must immediately report the violation to the Compliance Officer, another member of the Company's senior management, or to the Audit Committee of the Board of Directors. Employees and Board members who report violations or suspected violations in good faith will not be subject to retaliation of any kind. Reported violations will be investigated and addressed promptly and will be treated confidentially to the extent possible. A violation of the Code of Conduct may result in disciplinary action, up to and including termination of employment or Board membership.

Requests for a waiver of a provision of the Code of Conduct must be submitted in writing to the Compliance Officer for appropriate review, and an officer, director or appropriate Board committee will decide the outcome. For conduct involving an executive officer or Board member, only the Board of Directors or the Audit Committee of the Board has the authority to waive a provision of the Code. The Audit Committee must review and approve any "related party" transaction as defined in Item 404(a) of Regulation S-K before it is consummated. In the event of an approved waiver involving the conduct of an officer or Board member, appropriate and prompt disclosure must be made to the Company's shareholders as and to the extent required by listing standards or any other regulation.

THE YORK WATER COMPANY

Policy

Approved by: Board of Directors	File: Code of Conduct
Date: February 24, 2003	
Revision:	Page 2 of 5

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**CODE OF CONDUCT**

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Statements in the Code of Conduct to the effect that certain actions may be taken only with "Company approval" will be interpreted to mean that appropriate officers or Board directors must give prior written approval before the proposed action may be undertaken.

Employees will receive periodic training on the contents and importance of the Code of Conduct and related policies and the manner in which violations must be reported and waivers must be requested. Each officer of the Company will be asked to certify on an annual basis that he/she is in full compliance with the Code of Conduct and related policy statements.

**I. Violations of Law**

A variety of laws apply to the Company and its operations, and some carry criminal penalties. These laws include banking regulations, securities laws, environmental protection laws, and state laws relating to duties owed by corporate directors and officers. Examples of criminal violations of the law include: stealing, embezzling, misapplying corporate or bank funds, using threats, physical force or other unauthorized means to collect money; making a payment for an expressed purpose on the Company's behalf to an individual who intends to use it for a different purpose; or making payments, whether corporate or personal, of cash or other items of value that are intended to influence the judgment or actions of political candidates, government officials or businesses in connection with any of the Company's activities. The Company must and will report all suspected criminal violations to the appropriate authorities for possible prosecution, and will investigate, address and report, as appropriate, non-criminal violations.

**II. Conflicts of Interest**

A conflict of interest can occur or appear to occur in a wide variety of situations. Generally speaking a conflict of interest occurs when an employee's or an employee's immediate family's personal interest interferes with, has the potential to interfere with, or appears to interfere with the interests or business of the Company. For example, a conflict of interest could arise that makes it difficult for an employee or Board member to perform corporate duties objectively and effectively where he/she is involved in a competing interest. Another such conflict may occur where an employee or a family member receives a gift,<sup>2</sup> a unique advantage, or an improper personal

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Acceptance of gifts in the nature of memento, e.g. a conference gift or other inconsequential gift, valued at less than one hundred (\$100) dollars is permitted.

THE YORK WATER COMPANY  
Policy

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**CODE OF CONDUCT**

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benefit as a result of the employee's or Board member's position at the Company. Because a conflict of interest can occur in a variety of situations, you must keep the foregoing general principle in mind in evaluating both your conduct and that of others.

Employees and Board members are prohibited from trading in securities while in possession of material inside information. Among other things, trading while in possession of material inside information can subject the employee or Board member to criminal or civil penalties. The Company's Securities Trades Policy is incorporated by reference into this Code.

**OUTSIDE ACTIVITIES/EMPLOYMENT**

Any outside activity, including employment, should not significantly encroach on the time and attention employees devote to their corporate duties, should not adversely affect the quality or quantity of their work, and should not make use of corporate equipment, facilities, or supplies, or imply (without the Company's approval), the Company's sponsorship or support. In addition, under no circumstances are employees permitted to compete with the Company, or take for themselves or their family members business opportunities that belong to the Company that are discovered or made available by virtue of their positions at the Company. Employees are prohibited from taking part in any outside employment without the Company's prior approval.

**CIVIC/POLITICAL ACTIVITIES**

Employees are encouraged to participate in civic, charitable or political activities so long as such participation does not encroach on the time and attention they are expected to devote to their company-related duties. Such activities are to be conducted in a manner that does not involve the Company or its assets or facilities, and does not create an appearance of Company involvement or endorsement.

**LOANS TO EMPLOYEES**

The Company will not make loans or extend credit guarantees to or for the personal benefit of officers, except as permitted by law. Loans or guarantees may be extended to other employees only with Company approval.



THE YORK WATER COMPANY

Policy

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**CODE OF CONDUCT**

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**III. Fair Dealing**

Each employee should deal fairly and in good faith with the Company's customers, suppliers, regulators, business partners, and others. No employee may take unfair advantage of anyone through manipulation, misrepresentation, inappropriate threats, fraud, abuse of confidential information, or other related conduct.

**IV. Proper Use of Company Assets**

Company assets, such as information, materials, supplies, time, intellectual property, facilities, software, and other assets owned or leased by the Company, or that are otherwise in the Company's possession, may be used only for legitimate business purposes. The personal use of Company assets, without Company approval, is prohibited.

**V. Delegation of Authority**

Each employee, and particularly each of the Company's officers, must exercise due care to ensure that any delegation of authority is reasonable and appropriate in scope, and includes appropriate and continuous monitoring. No authority may be delegated to employees who the Company has reason to believe, through the exercise of reasonable due diligence, may have a propensity to engage in illegal activities.

**VI. Handling Confidential Information**

Employees and Board members should observe the confidentiality of information that they acquire by virtue of their positions at the Company, including information concerning customers, suppliers, competitors, and other employees, except where disclosure is approved by the Company or otherwise legally mandated. Of special sensitivity is financial information, which should under all circumstances be considered confidential except where its disclosure is approved by the Company, or when it has been publicly available in a periodic or special report for at least two business days.

**VII. Handling of Financial Information**

Federal law requires the Company to set forth guidelines pursuant to which the principal executive officer and senior financial employees perform their duties. Employees subject to this requirement include the principal executive officer, the principal financial officer, controller or principal accounting officer, and any person who performs a similar function. However, the

THE YORK WATER COMPANY  
Policy

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**CODE OF CONDUCT**

Company expects that all employees who participate in the preparation of any part of the Company's financial statements follow these guidelines:

- Act with honesty and integrity, avoiding violations of the code, including actual or apparent conflicts of interest with the Company in personal and professional relationships.
- Disclose to the Compliance Officer any material transaction or relationship that reasonably could be expected to give rise to any violations of the code, including actual or apparent conflicts of interest with the Company.
- Provide the Company's other employees, consultants, and advisors with information that is accurate, complete, objective, relevant, timely, and understandable.
- Endeavor to ensure full, fair, timely, accurate, and understandable disclosure in the Company's periodic reports.
- Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of your work except where you have Company approval or where disclosure is otherwise legally mandated. Confidential information acquired in the course of your work will not be used for personal advantage.
- Share and maintain skills important and relevant to the Company's needs.
- Proactively promote ethical behavior among peers in your work environment.
- Achieve responsible use of and control over all assets and resources employed or entrusted to you.
- Record or participate in the recording of entries in the Company's books and records that are accurate to the best of your knowledge.

The foregoing are set forth as guidelines for the principal executive officer and financial employees, but, are, in fact, statements of mandatory conduct. It is also important to note that Federal law requires that any waiver of, or amendment to the requirements in this Section VII will be subject to public disclosure.

## **Purchasing**

Our purchasing function is coordinated through our Buyer. In addition to blanket purchase orders issued for repetitive supplies and services, our Buyer places over 1000 purchase orders and processes approximately 1500 requisitions annually. In order to best gage the wholesale supply industry, the Company makes over 80 sales visits annually.

The purchasing function is part electronics and part paper system. Our long-range plans are to make the system totally electronic. This goal must be accomplished in the time frame of other priorities.

### **Purchasing goals for 2012 are:**

1. Evaluate inventory levels and match inventory levels to economic conditions. In concert with the Company's Accounting Department, evaluate inventory management software options to further automate the inventory function
2. Assist in developing Enterprise Resource Planning (ERP) implementation to make activities more efficient.
3. Continue to implement diversity in procurement in accordance with our policy.

### **Contracting and Procurement for 2012:**

1. Maintain existing system for tracking diverse businesses.
2. Continue to locate diverse business opportunities through local and state seminars, trade shows, and publications.
3. Work with VP-Human Resources to coordinate Diversity in Procurement activities.

The York Water Company  
Diversity in Procurement Processes

The York Water Company believes that diversity in procurement processes is a vital necessity to provide for the long-term needs of our operations and our customers. Diversity maximizes the number of vendors available to support our operations and provide us with needed services.

It is our primary mission to provide our customers with the best possible quality water and service at a reasonable price while providing a fair return to our shareholders through a work environment that achieves a high standard of performance. We feel that we can accomplish this mission while promoting diversity in the procurement process.

***Diverse Business*** – The York Water Company will define a diverse business as one that is at least 51% minority-owned, women-owned, or persons with disabilities-owned. This is interchangeable with **M/WBE** (Minority -/Woman-Business Enterprise). Businesses that have persons with disabilities as a major portion of their labor will also be acceptable. (RITC, etc.)

Guidelines for Diversity Development

**(1) Corporate policy**

The attached "Diversity in Procurement" policy will be incorporated into the Company's policy manual.

**(2) Integrated Annual and Long Range Corporate Plan**

The Integrated Annual and Long Range Corporate Plan contains directions in Section 1 (Strategies):

**(I) Procurement**

1. Promote diversity in procurement activities.
2. Encourage minority-owned, women-owned and persons with disabilities-owned businesses to provide proposals when the Company is purchasing materials or services.

Procurement of most of the Company's materials and services is the responsibility of the Engineering/Construction Manager. The Buyer is then given the authority to request proposals and enter into purchasing agreements. The specific goals and objectives will be detailed in Section 6 of the Integrated Annual and Long Range Corporate Plan.

# REPORT ON DIVERSITY TO THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCUMENT  
FOLDER

DOCKETED  
APR 13 2007

## THE YORK WATER COMPANY

### APRIL 2007

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PEOPLES NATURAL GAS

ORIGINAL

DOCUMENT  
FOLDER

May 1, 2012

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street – Filing Room (2<sup>nd</sup> Floor)  
P.O. Box 3265  
Harrisburg, PA 17105-3265

DOCUMENT  
FOLDER

RECEIVED

APR 27 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: Report on Diversity

M-00940557

Dear Secretary Chiavetta,

Enclosed are three copies and the original of Peoples Natural Gas Company LLC's Report on Diversity to the Pennsylvania Public Utility Commission for the year 2011.

On March 1, 2012, Peoples requested a two-month extension until May 1, 2012 to provide its Diversity Report.

If you have any questions or comments concerning this report please feel free to contact me.

Sincerely,

Lynda W. Petrichevich  
Manager, Regulation  
Peoples Natural Gas Company LLC

cc: Dave Zambito, Joseph A. Gregorini

**NARRATIVE ON AFFIRMATIVE ACTION EFFORTS****INTRODUCTION**

Peoples Natural Gas Company LLC (Peoples) is committed to equal employment opportunity and affirmative action.

Implementation of this action plan is a company-wide initiative that includes hiring managers, recruiters and generalists. Utilization is addressed during the hiring and selection process.

During 2011, Peoples' Human Resources (HR) department had full responsibility for the management of the diversity function and affirmative action processes, following the 2010 transition from Dominion Resources.

**RECRUITING**

Peoples is committed to equal employment opportunity and affirmative action. This commitment extends to its compliance with the requirements of 41 CFR 60-2.1, et seq. (Revised Order No. 4), and other regulations established pursuant to the provisions of Executive Order 11246; the Civil Rights Acts of 1964 & 1991, the Age Discrimination Act of 1975, the Vietnam Era Veterans Readjustment Act of 1974, the Rehabilitation Act of 1973 as amended by the Civil Rights Restoration Act of 1987, the Americans with Disabilities Act of 1990, the Immigration Reform and Control Act of 1986, the Family and Medical Leave Act of 1993, the Uniform Guidelines on Employee Selection Procedures of 1978, the Fair Labor Standards Act of 1936, the Equal Pay Act of 1986, and all other civil rights related laws and regulations that has or may be enacted, as amended.

Peoples' Equal Employment Policy states:

*The Company provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws. Peoples Natural Gas complies with applicable state and local laws governing non-discrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.*

*The Company is committed to diversity initiatives including affirmative action planning, committee efforts, pro-active diversity recruiting, employee education and special diversity events and sponsorships.*

Peoples has established a percentage annual placement goal whenever it found that minority or female representation within a job group was less than would reasonably be expected given their availability. In each case, the goal was set at the availability figure derived for women and/or minorities, as appropriate for that job group. These goals take into account the availability of basically qualified persons in the relevant labor area. They also take into account anticipated employment opportunities with our organization. Peoples believes these goals are attainable. These goals will be reached primarily through recruiting and advertising to increase the pool of qualified minority and female applicants and through implementation of our action-oriented programs. Selections will occur only from among qualified applicants. Goals do not require the hiring of persons when there are no vacancies or the hiring of a person who is less likely to do well on the job ("less qualified") over a person more likely to do well on the job ("better qualified"), under valid selection procedures. Goals do not require that Peoples hire a specified number of minorities or women.

Goals are not rigid and inflexible quotas which must be met, but are instead targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire AAP work. A goal is a guidepost against which Peoples, a community group, or a compliance agency can measure progress in remedying identified deficiencies in the workforce. By setting realistic goals, based on expected vacancies and anticipated availability of skills within the relevant labor area, and using a job related selection system, Peoples should be able to meet the goals, assuming we conduct effective recruitment and advertising efforts to ensure an adequate pool of qualified minority and/or female qualified applicants from which to make selections.

In establishing goals, Peoples considered the results which could reasonably be expected from putting forth every good faith effort to make our overall AAP work. We involved human resources staff, department heads, and unit managers and supervisors in the goal-setting process. Goals were not established that would exclude any gender or race/ethnic group.

Peoples is pleased to report that 40% of 2011 new hires were female and that 10% of 2011 new hires were minorities.

### **RECRUITMENT/ADVERTISING:**

The Action-Oriented Programs designed to address the underutilization of women and minorities are listed below. These Action-Oriented Programs were initiated in 2011 and will be carried-out throughout the AAP year. The Vice President Human Resources,



with the help of the managers, will be responsible in ensuring that the following are implemented.

1. Peoples will continue to place advertisements on job opportunities through local job service offices. The local job service office, Pennsylvania CareerLink, will be notified concurrent with the placement of internet advertisements.
2. Due to the extensive technical education and experience required for some positions, Peoples will also continue to place job opportunity announcements on the company website, with professional search firms and on internet job boards when appropriate.
3. Advertisements and newsletters have and will regularly carry the Equal Employment Opportunity clause.
4. Minority and female applicants have and will be considered for all positions for which they are qualified.
5. Peoples has and will participate in job fairs, including diversity specific fairs, if there are a sufficient number of openings to warrant participation.
6. Peoples has and will recruit at several local colleges and universities if there are sufficient specialized or technical openings to warrant such recruitment.
7. The company has and will continue to employ intern students who work during the summer and part-time during the school year.
8. Peoples has and will continue to publish recruiting brochures where minority and female members of the workforce are included, as well as in other company literature.
9. Peoples has been and will be committed to diversity specific internet postings, such as Monster.com Diversity Package.
10. Peoples established an ongoing partnership with a local, minority-owned staffing company for placement of temporary and contract-to-hire personnel.
11. Peoples has notified local diversity organizations such as PA Women Work, Urban League, Veterans Leadership Program, Hispanic Chamber of Commerce, YMCA of Pittsburgh, and local diverse churches when openings are available.
12. Peoples will continue to provide exceptional support to their employees who serve in the National Guard and Reserve.

### TRAINING

Peoples Equal Employment Opportunity policy refers to all aspects of the employment cycle including training and educational opportunities.

Peoples ensures that women and ethnic minorities have access to the same training and education opportunities as all other employees. These opportunities may include

on the job training that's necessary to satisfactorily perform one's job, external training seminars, on-line training via the internal Learning Management System, or educational courses that are eligible under the employee tuition reimbursement program. Once IT systems and programs are more readily available, employees will be able to choose training courses through the Training Catalog and include them in their career development plan.

Peoples has a "zero tolerance" policy with respect to harassment or discrimination against any group or individual. This policy, combined with the Equal Opportunity Policy, work together to ensure that all employees have equal access to training opportunities. The Human Resources team shall be responsible for making career counseling available for all employees.

### **PROMOTION**

The Equal Employment Opportunity policy refers to all aspects of the employment cycle including position upgrades and promotions.

In addition, the Employee Relations section of Peoples' Code of Ethics requires that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the company. Peoples is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Where positions are governed by contract with a labor organization, promotion opportunities are managed within the scope of the contract requirements.

### **JOB SELECTION/ADVANCEMENT**

#### **Job Specifications/Selection Process:**

1. Position descriptions have been developed that accurately reflect position functions, and are consistent for the same position from one location to another.
2. Job or worker specifications have been developed that contain academic, experience, and skill requirements that do not constitute inadvertent discrimination. All job specifications will be free from bias with regard to age, race, color, religion, national origin, disability or veteran status.
3. Approved position specifications and worker specifications have and will be made available to all members of management involved in the

recruiting, screening, selection, and promotion process. Copies may also be made available to recruiting sources.

4. Peoples will continue to use only worker specifications that include job-related criteria.
5. Peoples will continue to carefully select and counsel all personnel involved in the recruiting, screening, selection, promotion, disciplinary, and related processes to eliminate bias in all personnel actions.

#### **Job Advancement:**

1. Minority and female employees have and will be made available for participation in Career Days, and related activities in the community, as desired.
2. Peoples will continue to post or announce job opportunities. Peoples' Job Posting Policy System requires postings of all positions up to the Senior Management level.
3. Establish, whenever feasible, formal career counseling programs to include personal development, education, aid, job rotation, buddy system, and similar programs. Of particular interest is the Peoples Supervisor Assessment program which will be implemented in 2012.
4. Peoples has and will continue to require supervisory personnel to submit justification when apparently qualified minority or female employees are passed over for upgrading or promotion.
5. Peoples has and will review seniority practices to ensure such practices are non-discriminatory and do not have discriminatory effect.
6. All employees have and will continue to be actively encouraged to participate in facilities and company-sponsored social and recreational activities.
7. Peoples will continue to use our formal employee evaluation program. The performance Appraisal is used for annual reviews for all employees.
8. Tuition assistance is offered to all employees who are interested in pursuing an undergraduate degree or an advance degree, with certain limitations.

#### **RETENTION**

Peoples is committed to retaining the talent that its diverse workforce brings. Its policies are designed to help create an environment where in each employee feels valued and believes that he or she can contribute to the best of his or her abilities. Peoples' workforce can be characterized as one that tends to have employees with a significant length of service. It believes that this is largely due to their employment practices, fair and ethical treatment and equitable pay.

The Peoples Code of Ethics states very specifically that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the Company. The Company is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Aside from Regulatory Compliance as a federal contractor, Peoples is committed to a diverse and inclusive workplace. The focus of Senior Management is to promote fairness and equality for all employees and have established a Diversity Council whose mission is to be a portal or gateway for employees to continue this tradition.

The Diversity Council is inclusive of representatives from various work locations. It has committed to providing and fostering an inclusive business environment that leverages the unique talents, perspectives and experiences of each employee. They will accomplish this by:

- 1) Focusing on the recruitment, development and retention of diverse talent;
- 2) Creating a work environment that enables all employees to reach their full potential;
- 3) Educating all employees to increase diversity awareness; and
- 4) Maintaining a vendor/supplier base that will allow us to meet the unique needs of a diverse customer base.

In 2011, the diversity council was revitalized to incorporate new employees who bring fresh perspectives and ideas to the already established council. Council members participated in a training delivered by an external diversity consultant to build relationships amongst council members and to truly understand the council's mission. Education efforts continue with newsletters and bulletin boards playing a significant role in ensuring that diversity and inclusion is incorporated in to the Company's vision and values.

The new hire orientation program for all employees includes a thorough discussion regarding the company's diversity initiative and watching the Diversity Diner video.

Commitment to diversity is recognized in the company's vision and values. Our commitment to the community includes:

- 1) Provide opportunities for quality employment across a diverse network of candidates.
- 2) Embrace a culture of teamwork and diversity.

As a company, we support this vision by valuing and appreciating the diversity of our workforce and our community.

**DESCRIPTION OF SERVICE TERRITORY**

Peoples provides safe and reliable delivery of natural gas to 360,000 customers in Western Pennsylvania. The attached map shows in detail the counties in Pennsylvania where we are located.

**DEFINITION OF RELEVANT LABOR FORCE**  
**WORKFORCE/RELEVANT LABOR FORCE COMPARISON**

The statistics for the table listed below are based on the United States Census Bureau Profile of General Demographic Characteristics (Census 2000 Summary File 1 (SF 1) 100 Percent Data.

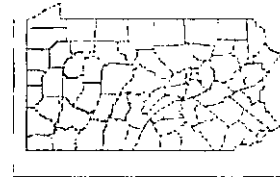
Using the 2000 Census data for the counties where we operate (Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland), the following comparisons apply:

	WOMEN	MINORITIES
INTERNAL WORKFORCE	24.8%	10.4%
RELEVANT LABOR FORCE*	49.9%	5.6%

\*Raw statistics – population 18 years and older, not weighted for Peoples-specific jobs.



Service Territory



- Legend**
- Pennsylvania Cities**
- ★ Major Cities
  - Other Cities
  - Peoples Natural Gas - Service Area

**Peoples Natural Gas Company LLC  
Workforce Composition Year End 2011**

Job Code	Job Category	Total	Male					Female							
			Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American	Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American	
1.1	Executive/Senior Level Officials and Managers	5	0	3	0	0	0	0	0	0	2	0	0	0	0
1.2	First/Mid Officials & Manager	93	5	68	0	1	0	0	0	0	19	0	0	0	0
2	Professionals	106	0	55	1	1	0	0	3	43	1	2	0	0	
3	Technicians	60	0	50	0	0	0	0	1	9	0	0	0	0	
4	Sales Workers	6	1	1	0	0	0	0	1	3	0	0	0	0	
5	Office & Clerical	82	2	7	0	0	0	0	16	56	0	0	1	0	
6	Craft Workers (Skilled)	296	26	253	0	0	3	0	1	12	0	0	1	0	
7	Operatives (Semi-skilled)	69	6	57	0	0	1	0	1	4	0	0	0	0	
8	Laborers	2	0	0	0	0	0	0	0	2	0	0	0	0	
9	Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Total Workforce</b>	<b>719</b>	<b>40</b>	<b>494</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>23</b>	<b>150</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>0</b>	

Minority Headcount = 10.4%

Female Headcount = 24.8%

# **Pennsylvania Public Utility Commission Annual Diversity Filing 2011**

In July of 2011, Peoples Natural Gas Company's (PNG) Supply Chain Management Department assumed the responsibility for the management of the Supplier Diversity Program from Dominion Resources Services, Inc. (Dominion) according to the Transition Services Agreement (TSA) between SteelRiver, Inc, and Dominion.

PNG's Supply Chain Management Department is in the process of revising this program as PNG is committed to making every effort to procure goods and services from minority, women-owned, disabled and other diverse businesses, such as HUBZone and disabled service-veterans. We recognize that the health of our company and our society depends greatly on enabling all people to share in economic opportunities. PNG takes pride in facilitating relationships and expanding opportunities within our diverse supplier base.

## **Narrative on M/W/DBE Efforts - Internal Efforts**

PNG's Supply Chain Management Department is responsible for developing, implementing, and managing company-wide programs to enhance the PNG's involvement in the development of diverse businesses. PNG's Supply Chain Management will serve as the company's liaison with governmental and community agencies, councils and other organizations for supplier diversity issues, and provides support to company business areas.

PNG's Supply Chain Management Department Supplier Diversity Program roles:

- ❑ Develops and maintains company policy, procedures and tools which ensure diverse businesses are afforded maximum practicable opportunities to participate in company procurement activities
- ❑ Serves as the primary company contact/representative for all supplier diversity issues relating to diverse businesses, governmental and community agencies, councils and other organizations at the local, state and national levels
- ❑ Coordinates the development of annual business area and corporate goals for expenditures with diverse businesses
- ❑ Provides training for company personnel relating to supplier diversity programs and initiatives, policies and procedures



- Provides training for prime contractors in developing effective internal supplier diversity programs to promote compliance with PNG's second tier subcontracting requirements.

### **Narrative on M/W/DBE Efforts - External Efforts**

PNG's commitment to make every effort to procure goods and services from diverse businesses is complemented by our recognition that the growth and development of diverse businesses requires the support of organizations that serve as advocates for diverse business development. Organizations that serve as advocates for diverse businesses provide educational opportunities, networking opportunities, and a forum to address issues specific to diverse businesses. PNG will be active with organizations that serve as advocates for diverse business development.

PNG was active with the following organizations.

- The National Minority Supplier Development Council
- Western Pennsylvania Minority Supplier Development Council (WPMSSDC)

In addition to the organizations listed above, PNG utilizes the following sources to identify qualified diverse suppliers and contractors:

- Files maintained by PNG collected at trade shows and networking events
- The U.S. General Services Administration/U.S. Small Business Administration (SBA) and regional offices
- Internet supplier diversity data bases and directories
- National, state and local directories and publications
- The State Departments of Minority Business Enterprise
- Business associations such as Chamber(s) of Commerce (National Hispanic Chamber, Black Chamber, etc.)

### **Narrative on M/W/DBE Efforts - Subcontracting Efforts**

PNG's commitment to make every effort to procure goods and services from diverse businesses requires the support and participation from our prime contractors. PNG's prime contractors are an integral part of our overall effort to provide maximum opportunities for diverse businesses to participate in our procurement requirements.

PNG has incorporated the following requirements in our Second-tier Subcontracting Program.

- All procurements of \$550,000 or more shall contain language requiring the supplier to report actual diverse business subcontract results on a quarterly basis
- All solicitations for goods and services of \$550,000 or more shall include a requirement that bidders include, as a part of their bid proposal, their subcontract plans for diverse businesses
- The use of a weighted factor for diverse businesses participation in bidders' subcontracting plans may be used as a part of the overall evaluation to determine the successful bidder, when such actions are judged to foster the growth and development of these businesses, and cost is not adversely affected
- PNG collects the Subcontracting Utilization Reports and reports the results yearly within the Company.
- The PNG's Supply Chain Management Department is available to assist large prime contractors in developing internal supplier diversity programs and compliance with PNG's second-tier subcontracting requirements

## **Utility Procurement Diversity Report Procurements from Diverse Suppliers**

### **Procurements from all Diverse Suppliers**

#### **January 1, 2011-December 31, 2011**

Minority	\$50,091
Women	\$3,052,939
Disabled	
Service Disabled	\$2,342,241
HUB Zone	
Total Diverse Spend	\$5,445,271
Total Spend all Suppliers	\$113,915,257

### **Procurements from Diverse Suppliers located in Pennsylvania**

#### **January 1, 2011-December 31, 2011**

Minority	\$91
Women	\$2,691,619
Disabled	
Service Disabled	\$2,226,038
HUB Zone	
Total Diverse Spend	\$4,917,748
Total Spend all Suppliers	\$79,172,674



205 North Main Street  
Butler, PA 16001

May 1, 2012

**ORIGINAL RECEIVED**

MAY - 1 2012

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

M-00940557

Re: Peoples TWP LLC; ANNUAL DIVERSITY REPORT

Dear Secretary Chiavetta,

Enclosed is an original and three copies of Peoples TWP LLC's Report on Diversity to the Pennsylvania Public Utility Commission for the year 2011.

On March 1, 2012, Peoples requested a two-month extension until May 1, 2012 to provide its Diversity Report.

If you have any questions or comments concerning this report please feel free to contact me.

Sincerely,

**Peoples TWP LLC**

Andrew P. Wachter  
Vice President – Finance and Rates

cc: George Dorow

**NARRATIVE ON AFFIRMATIVE ACTION EFFORTS**

**INTRODUCTION**

Peoples TWP LLC (PTWP) is committed to equal employment opportunity and affirmative action.

Implementation of this action plan is a company-wide initiative that includes hiring managers, recruiters and generalists. Utilization is addressed during the hiring and selection process.

During 2011, PTWP Human Resources (HR) department had full responsibility for the management of the diversity function and affirmative action processes. In 2012, additional support will be provided through the combined Human Resources department of Peoples Natural Gas LLC and PTWP once the service company is formed.

**RECRUITING**

PTWP is committed to equal employment opportunity and affirmative action. This commitment extends to its compliance with the requirements of 41 CFR 60-2.1, et seq. (Revised Order No. 4), and other regulations established pursuant to the provisions of Executive Order 11246; the Civil Rights Acts of 1964 & 1991, the Age Discrimination Act of 1975, the Vietnam Era Veterans Readjustment Act of 1974, the Rehabilitation Act of 1973 as amended by the Civil Rights Restoration Act of 1987, the Americans with Disabilities Act of 1990, the Immigration Reform and Control Act of 1986, the Family and Medical Leave Act of 1993, the Uniform Guidelines on Employee Selection Procedures of 1978, the Fair Labor Standards Act of 1936, the Equal Pay Act of 1963, and all other civil rights related laws and regulations that has or may be enacted, as amended.

PTWP's Equal Employment Policy states:

*The Company provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws. PTWP Natural Gas complies with applicable state and local laws governing non-discrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.*

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MAY - 1 2012

*The Company is committed to diversity initiatives including affirmative action planning, committee efforts, pro-active diversity recruiting, employee education and special diversity events and sponsorships.*

PTWP has established a percentage annual placement goal whenever it found that minority or female representation within a job group was less than would reasonably be expected given their availability. In each case, the goal was set at the availability figure derived for women and/or minorities, as appropriate for that job group. These goals take into account the availability of basically qualified persons in the relevant labor area. They also take into account anticipated employment opportunities with our organization. PTWP believes these goals are attainable. These goals will be reached primarily through recruiting and advertising to increase the pool of qualified minority and female applicants and through implementation of our action-oriented programs. Selections will occur only from among qualified applicants. Goals do not require the hiring of persons when there are no vacancies or the hiring of a person who is less likely to do well on the job ("less qualified") over a person more likely to do well on the job ("better qualified"), under valid selection procedures. Goals do not require that PTWP hire a specified number of minorities or women.

Goals are not rigid and inflexible quotas which must be met, but are instead targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire AAP work. A goal is a guidepost against which PTWP, a community group, or a compliance agency can measure progress in remedying identified deficiencies in the workforce. By setting realistic goals, based on expected vacancies and anticipated availability of skills within the relevant labor area, and using a job related selection system, PTWP should be able to meet the goals, assuming we conduct effective recruitment and advertising efforts to ensure an adequate pool of qualified minority and/or female qualified applicants from which to make selections.

In establishing goals, PTWP considered the results which could reasonably be expected from putting forth every good faith effort to make our overall AAP work. We involved human resources staff, department heads, and unit managers and supervisors in the goal-setting process. Goals were not established that would exclude any gender or race/ethnic group.

### **RECRUITMENT/ADVERTISING:**

The Action-Oriented Programs designed to address the underutilization of women and minorities are listed below. These Action-Oriented Programs were initiated in 2011 and will be carried-out throughout the AAP year. PTWP officers, with the help of the managers, will be responsible in ensuring that the following are implemented.

1. PTWP will place advertisements on job opportunities through local job service offices. The local job service office, Pennsylvania CareerLink, will be notified concurrent with the placement of internet advertisements.
2. Due to the extensive technical education and experience required for some positions, PTWP will also place job opportunity announcements on the company website, with professional search firms and on internet job boards when appropriate.
3. Advertisements and newsletters will regularly carry the Equal Employment Opportunity clause.
4. Minority and female applicants have and will be considered for all positions for which they are qualified.
5. PTWP will participate in job fairs, including diversity specific fairs, if there are a sufficient number of openings to warrant participation.
6. PTWP will recruit at several local colleges and universities if there are sufficient specialized or technical openings to warrant such recruitment.
7. PTWP will continue to publish recruiting brochures where minority and female members of the workforce are included, as well as in other company literature.
9. PTWP will be committed to diversity specific internet postings, such as Monster.com Diversity Package.
10. PTWP will continue to provide exceptional support to their employees who serve in the National Guard and Reserve.

### **TRAINING**

PTWP's Equal Employment Opportunity policy refers to all aspects of the employment cycle including training and educational opportunities.

PTWP ensures that women and ethnic minorities have access to the same training and education opportunities as all other employees. These opportunities may include on the job training that's necessary to satisfactorily perform one's job, external training seminars, on-line training via the internal Learning Management System, or educational courses that are eligible under the employee tuition reimbursement program. Once IT systems and programs are more readily available, employees will be able to choose training courses through the Training Catalog and include them in their career development plan.

PTWP has a "zero tolerance" policy with respect to harassment or discrimination against any group or individual. This policy, combined with the Equal Opportunity Policy, work together to ensure that all employees have equal access to training opportunities. The Human Resources team shall be responsible for making career counseling available for all employees.

**PROMOTION**

The Equal Employment Opportunity policy refers to all aspects of the employment cycle including position upgrades and promotions.

In addition, the Employee Relations section of PTWP's Code of Ethics requires that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the company. PTWP is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Where positions are governed by contract with a labor organization, promotion opportunities are managed within the scope of the contract requirements.

**JOB SELECTION/ADVANCEMENT**

**Job Specifications/Selection Process:**

1. Position descriptions have been developed that accurately reflect position functions, and are consistent for the same position from one location to another.
2. Job or worker specifications have been developed that contain academic, experience, and skill requirements that do not constitute inadvertent discrimination. All job specifications will be free from bias with regard to age, race, color, religion, national origin, disability or veteran status.
3. Approved position specifications and worker specifications have and will be made available to all members of management involved in the recruiting, screening, selection, and promotion process. Copies may also be made available to recruiting sources.
4. PTWP will continue to use only worker specifications that include job-related criteria.
5. PTWP will continue to carefully select and counsel all personnel involved in the recruiting, screening, selection, promotion, disciplinary, and related processes to eliminate bias in all personnel actions.

**Job Advancement:**

1. Minority and female employees will be made available for participation in Career Days, and related activities in the community, as desired.
2. PTWP will continue to post or announce job opportunities. PTWPs' Job Posting Policy System requires postings of all positions up to the Senior Management level.



3. Establish, whenever feasible, formal career counseling programs to include personal development, education, aid, job rotation, buddy system, and similar programs. Of particular interest is the PTWP Supervisor Assessment program which will be implemented in 2012.
4. PTWP has and will continue to require supervisory personnel to submit justification when apparently qualified minority or female employees are passed over for upgrading or promotion.
5. PTWP will review seniority practices to ensure such practices are non-discriminatory and do not have discriminatory effect.
6. All employees have and will continue to be actively encouraged to participate in facilities and company-sponsored social and recreational activities.
7. PTWP will continue to use our formal employee evaluation program. The performance Appraisal is used for annual reviews for all employees.
8. Tuition assistance is offered to all employees who are interested in pursuing an undergraduate degree or an advance degree, with certain limitations.

### **RETENTION**

Retention policies are designed to help create an environment where in each employee feels valued and believes that he or she can contribute to the best of his or her abilities. PTWP' workforce can be characterized as one that tends to have employees with a significant length of service. It believes that this is largely due to their employment practices, fair and ethical treatment and equitable pay.

The PTWP Code of Ethics states very specifically that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the Company. The Company is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Aside from Regulatory Compliance as a federal contractor, PTWP is committed to a diverse and inclusive workplace. The focus of Senior Management is to promote fairness and equality for all employees and have established a Diversity Council whose mission is to be a portal or gateway for employees to continue this tradition.

The Diversity Council is inclusive of representatives from various work locations. It has committed to providing and fostering an inclusive business environment that leverages the unique talents, perspectives and experiences of each employee. They will accomplish this by:

- 1) Focusing on the recruitment, development and retention of diverse talent;

- 2) Creating a work environment that enables all employees to reach their full potential;
- 3) Educating all employees to increase diversity awareness; and
- 4) Maintaining a vendor/supplier base that will allow us to meet the unique needs of a diverse customer base.

In 2011, the diversity council was established to incorporate employees who bring fresh perspectives and ideas to the already established council. Council members participated in a training delivered by an external diversity consultant to build relationships amongst council members and to truly understand the council's mission. Education efforts continue with newsletters and bulletin boards playing a significant role in ensuring that diversity and inclusion is incorporated in to the Company's vision and values.

The new hire orientation program for all employees includes a thorough discussion regarding the company's diversity initiative and watching the Diversity Diner video.

Commitment to diversity is recognized in the company's vision and values. Our commitment to the community includes:

- 1) Provide opportunities for quality employment across a diverse network of candidates.
- 2) Embrace a culture of teamwork and diversity.

As a company, we support this vision by valuing and appreciating the diversity of our workforce and our community.

**DESCRIPTION OF SERVICE TERRITORY**

PTWP provides safe and reliable delivery of natural gas to 60,000 customers in Western Pennsylvania.

**DEFINITION OF RELEVANT LABOR FORCE**  
**WORKFORCE/RELEVANT LABOR FORCE COMPARISON**

The statistics for the table listed below are based on the United States Census Bureau Profile of General Demographic Characteristics (Census 2000 Summary File 1 (SF 1) 100 Percent Data.

Using the 2000 Census data for the counties where we operate (Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland), the following comparisons apply:

	<b>WOMEN</b>	<b>MINORITIES</b>
<b>INTERNAL WORKFORCE</b>	16.7%	0%
<b>RELEVANT LABOR FORCE*</b>	49.9%	5.6%

\*Raw statistics – population 18 years and older, not weighted for PTWP-specific jobs.

**PEOPLES TWP LLC  
Workforce Composition Year End 2011**

Job Code	Job Category	Male							Female							
		Total	Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American	Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American		
1.1	Executive/Senior Level Officials and Managers	10		9												
1.2	First/Mid Officials & Manager	21		19												
2	Professionals	6		4												
3	Technicians	13		12												
4	Sales Workers	0														
5	Office & Clerical	31		3												
6	Craft Workers (Skilled)	57		57												
7	Operatives (Semi-skilled)	64		64												
8	Laborers	1		1												
9	Service Workers	0														
	<b>Total Workforce</b>	<b>203</b>	<b>0</b>	<b>169</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>Minority Headcount =</b>							<b>Female Headcount =</b>							
		<b>0.0%</b>							<b>16.7%</b>							

## **Introduction**

On May 24, 2011 T.W. Phillips Gas and Oil Co. was acquired by LDC Holdings II, LLC, an indirect subsidiary of SteelRiver Infrastructure Fund North America LP and began to operate under the new name Peoples TWP LLC ("Peoples TWP"). Peoples TWP and its new affiliate, Peoples Natural Gas Company LLC, have filed with the Commission to form a service company. Once approved Supply Chain Management will follow the guidelines detailed below.

### **Narrative on M/W/DBE Efforts - Internal Efforts**

Peoples TWP's Supply Chain Management Department is responsible for developing, implementing, and managing company-wide programs to enhance the Peoples TWP's involvement in the development of diverse businesses. Peoples TWP's Supply Chain Management will serve as the company's liaison with governmental and community agencies, councils and other organizations for supplier diversity issues, and provides support to company business areas.

Peoples TWP's Supply Chain Management Department Supplier Diversity Program roles:

1. Develops and maintains company policy, procedures and tools which ensure diverse businesses are afforded maximum practicable opportunities to participate in company procurement activities
2. Serves as the primary company contact/representative for all supplier diversity issues relating to diverse businesses, governmental and community agencies, councils and other organizations at the local, state and national levels
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5. Provides training for prime contractors in developing effective internal supplier diversity programs to promote compliance with Peoples TWP's second tier subcontracting requirements.

**Narrative on M/W/DBE Efforts - External Efforts**

Peoples TWP's commitment to make every effort to procure goods and services from diverse businesses is complemented by our recognition that the growth and development of diverse businesses requires the support of organizations that serve as advocates for diverse business development. Organizations that serve as advocates for diverse businesses provide educational opportunities, networking opportunities, and a forum to address issues specific to diverse businesses. Peoples TWP will be active with organizations that serve as advocates for diverse business development.

Peoples TWP will be active with the following organizations.

1. The National Minority Supplier Development Council
2. Western Pennsylvania Minority Supplier Development Council (WPMSDC)

In addition to the organizations listed above, Peoples TWP utilizes the following sources to identify qualified diverse suppliers and contractors:

1. Files maintained by Peoples TWP collected at trade shows and networking events
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Peoples TWP's commitment to make every effort to procure goods and services from diverse businesses requires the support and participation from our prime contractors. Peoples TWP's prime contractors are an integral part of our overall effort to provide maximum opportunities for diverse businesses to participate in our procurement requirements.

Peoples TWP will incorporate the following requirements in our Second-tier Subcontracting Program.

1. All procurements of \$550,000 or more shall contain language requiring the supplier to report actual diverse business subcontract results on a quarterly basis
2. All solicitations for goods and services of \$550,000 or more shall include a requirement that bidders include, as a part of their bid proposal, their subcontract plans for diverse businesses
3. The use of a weighted factor for diverse businesses participation in bidders' subcontracting plans may be used as a part of the overall evaluation to determine the successful bidder, when such actions are judged to foster the growth and development of these businesses, and cost is not adversely affected
4. Peoples TWP collects the Subcontracting Utilization Reports and reports the results yearly within the Company.
5. Peoples TWP Supply Chain Management Department is available to assist large prime contractors in developing internal supplier diversity programs and compliance with PNG's second-tier subcontracting requirements

## Procurements from Diverse Suppliers

### Procurements from all Diverse Suppliers

#### January 1, 2011-December 31, 2011

Minority	\$32,696
Women	\$868,260
Disabled	
Service Disabled	
HUB Zone	
Total Diverse Spend	\$900,956
Total Spend all Suppliers	\$8,735,418

### Procurements from Diverse Suppliers located in Pennsylvania

#### January 1, 2011-December 31, 2011

Minority	\$31,914
Women	\$841,559
Disabled	
Service Disabled	
HUB Zone	
Total Diverse Spend	\$873,473
Total Spend all Suppliers	\$7,465,811





205 North Main Street  
Butler, PA 16001

May 1, 2012

**ORIGINAL**

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

**RECEIVED**

MAY - 1 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: Peoples TWP LLC; ANNUAL DIVERSITY REPORT

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**Peoples TWP LLC**

Andrew P. Wachter  
Vice President – Finance and Rates

cc: George Dorow

<b>NARRATIVE ON AFFIRMATIVE ACTION EFFORTS</b>
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### **TRAINING**

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PTWP ensures that women and ethnic minorities have access to the same training and education opportunities as all other employees. These opportunities may include on the job training that's necessary to satisfactorily perform one's job, external training seminars, on-line training via the internal Learning Management System, or educational courses that are eligible under the employee tuition reimbursement program. Once IT systems and programs are more readily available, employees will be able to choose training courses through the Training Catalog and include them in their career development plan.

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**PROMOTION**

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In addition, the Employee Relations section of PTWP's Code of Ethics requires that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the company. PTWP is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Where positions are governed by contract with a labor organization, promotion opportunities are managed within the scope of the contract requirements.

**JOB SELECTION/ADVANCEMENT**

**Job Specifications/Selection Process:**

1. Position descriptions have been developed that accurately reflect position functions, and are consistent for the same position from one location to another.
2. Job or worker specifications have been developed that contain academic, experience, and skill requirements that do not constitute inadvertent discrimination. All job specifications will be free from bias with regard to age, race, color, religion, national origin, disability or veteran status.
3. Approved position specifications and worker specifications have and will be made available to all members of management involved in the recruiting, screening, selection, and promotion process. Copies may also be made available to recruiting sources.
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5. PTWP will continue to carefully select and counsel all personnel involved in the recruiting, screening, selection, promotion, disciplinary, and related processes to eliminate bias in all personnel actions.

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1. Minority and female employees will be made available for participation in Career Days, and related activities in the community, as desired.
2. PTWP will continue to post or announce job opportunities. PTWPs' Job Posting Policy System requires postings of all positions up to the Senior Management level.

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4. PTWP has and will continue to require supervisory personnel to submit justification when apparently qualified minority or female employees are passed over for upgrading or promotion.
5. PTWP will review seniority practices to ensure such practices are non-discriminatory and do not have discriminatory effect.
6. All employees have and will continue to be actively encouraged to participate in facilities and company-sponsored social and recreational activities.
7. PTWP will continue to use our formal employee evaluation program. The performance Appraisal is used for annual reviews for all employees.
8. Tuition assistance is offered to all employees who are interested in pursuing an undergraduate degree or an advance degree, with certain limitations.

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Retention policies are designed to help create an environment where in each employee feels valued and believes that he or she can contribute to the best of his or her abilities. PTWP' workforce can be characterized as one that tends to have employees with a significant length of service. It believes that this is largely due to their employment practices, fair and ethical treatment and equitable pay.

The PTWP Code of Ethics states very specifically that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the Company. The Company is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Aside from Regulatory Compliance as a federal contractor, PTWP is committed to a diverse and inclusive workplace. The focus of Senior Management is to promote fairness and equality for all employees and have established a Diversity Council whose mission is to be a portal or gateway for employees to continue this tradition.

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- 4) Maintaining a vendor/supplier base that will allow us to meet the unique needs of a diverse customer base.

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As a company, we support this vision by valuing and appreciating the diversity of our workforce and our community.

### **DESCRIPTION OF SERVICE TERRITORY**

PTWP provides safe and reliable delivery of natural gas to 60,000 customers in Western Pennsylvania.

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The statistics for the table listed below are based on the United States Census Bureau Profile of General Demographic Characteristics (Census 2000 Summary File 1 (SF 1) 100 Percent Data.

Using the 2000 Census data for the counties where we operate (Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland), the following comparisons apply:

	<b>WOMEN</b>	<b>MINORITIES</b>
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\*Raw statistics – population 18 years and older, not weighted for PTWP-specific jobs.



**PEOPLES TWP LLC  
Workforce Composition Year End 2011**

Job Code	Job Category	Male							Female						
		Total	Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American	Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American	
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1.2	First/Mid Officials & Manager	21		19									2		
2	Professionals	16		4									2		
3	Technicians	13		12									1		
4	Sales Workers	40													
5	Office & Clerical	31		3									28		
6	Craft Workers (Skilled)	77		57											
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	<b>Total Workforce</b>	<b>203</b>	<b>0</b>	<b>169</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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Peoples TWP's Supply Chain Management Department is responsible for developing, implementing, and managing company-wide programs to enhance the Peoples TWP's involvement in the development of diverse businesses. Peoples TWP's Supply Chain Management will serve as the company's liaison with governmental and community agencies, councils and other organizations for supplier diversity issues, and provides support to company business areas.

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5. Provides training for prime contractors in developing effective internal supplier diversity programs to promote compliance with Peoples TWP's second tier subcontracting requirements.

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Peoples TWP's commitment to make every effort to procure goods and services from diverse businesses is complemented by our recognition that the growth and development of diverse businesses requires the support of organizations that serve as advocates for diverse business development. Organizations that serve as advocates for diverse businesses provide educational opportunities, networking opportunities, and a forum to address issues specific to diverse businesses. Peoples TWP will be active with organizations that serve as advocates for diverse business development.

Peoples TWP will be active with the following organizations.

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In addition to the organizations listed above, Peoples TWP utilizes the following sources to identify qualified diverse suppliers and contractors:

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Peoples TWP's commitment to make every effort to procure goods and services from diverse businesses requires the support and participation from our prime contractors. Peoples TWP's prime contractors are an integral part of our overall effort to provide maximum opportunities for diverse businesses to participate in our procurement requirements.

Peoples TWP will incorporate the following requirements in our Second-tier Subcontracting Program.

1. All procurements of \$550,000 or more shall contain language requiring the supplier to report actual diverse business subcontract results on a quarterly basis
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205 North Main Street  
Butler, PA 16001

May 1, 2012

Ms. Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
2<sup>nd</sup> Floor, Room N201  
400 North Street  
Harrisburg, Pennsylvania 17120

**RECEIVED**  
MAY - 1 2012  
**ORIGINAL**  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Re: Peoples TWP LLC; ANNUAL DIVERSITY REPORT

Dear Secretary Chiavetta,

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Sincerely,

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Andrew P. Wachter  
Vice President – Finance and Rates

cc: George Dorow

<b>NARRATIVE ON AFFIRMATIVE ACTION EFFORTS</b>
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### INTRODUCTION

Peoples TWP LLC (PTWP) is committed to equal employment opportunity and affirmative action.

Implementation of this action plan is a company-wide initiative that includes hiring managers, recruiters and generalists. Utilization is addressed during the hiring and selection process.

During 2011, PTWP Human Resources (HR) department had full responsibility for the management of the diversity function and affirmative action processes. In 2012, additional support will be provided through the combined Human Resources department of Peoples Natural Gas LLC and PTWP once the service company is formed.

### RECRUITING

PTWP is committed to equal employment opportunity and affirmative action. This commitment extends to its compliance with the requirements of 41 CFR 60-2.1, et seq. (Revised Order No. 4), and other regulations established pursuant to the provisions of Executive Order 11246; the Civil Rights Acts of 1964 & 1991, the Age Discrimination Act of 1975, the Vietnam Era Veterans Readjustment Act of 1974, the Rehabilitation Act of 1973 as amended by the Civil Rights Restoration Act of 1987, the Americans with Disabilities Act of 1990, the Immigration Reform and Control Act of 1986, the Family and Medical Leave Act of 1993, the Uniform Guidelines on Employee Selection Procedures of 1978, the Fair Labor Standards Act of 1936, the Equal Pay Act of 1963, and all other civil rights related laws and regulations that have or may be enacted, as amended.

PTWP's Equal Employment Policy states:

*The Company provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws. PTWP Natural Gas complies with applicable state and local laws governing non-discrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.*

*The Company is committed to diversity initiatives including affirmative action planning, committee efforts, pro-active diversity recruiting, employee education and special diversity events and sponsorships.*

PTWP has established a percentage annual placement goal whenever it found that minority or female representation within a job group was less than would reasonably be expected given their availability. In each case, the goal was set at the availability figure derived for women and/or minorities, as appropriate for that job group. These goals take into account the availability of basically qualified persons in the relevant labor area. They also take into account anticipated employment opportunities with our organization. PTWP believes these goals are attainable. These goals will be reached primarily through recruiting and advertising to increase the pool of qualified minority and female applicants and through implementation of our action-oriented programs. Selections will occur only from among qualified applicants. Goals do not require the hiring of persons when there are no vacancies or the hiring of a person who is less likely to do well on the job ("less qualified") over a person more likely to do well on the job ("better qualified"), under valid selection procedures. Goals do not require that PTWP hire a specified number of minorities or women.

Goals are not rigid and inflexible quotas which must be met, but are instead targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire AAP work. A goal is a guidepost against which PTWP, a community group, or a compliance agency can measure progress in remedying identified deficiencies in the workforce. By setting realistic goals, based on expected vacancies and anticipated availability of skills within the relevant labor area, and using a job related selection system, PTWP should be able to meet the goals, assuming we conduct effective recruitment and advertising efforts to ensure an adequate pool of qualified minority and/or female qualified applicants from which to make selections.

In establishing goals, PTWP considered the results which could reasonably be expected from putting forth every good faith effort to make our overall AAP work. We involved human resources staff, department heads, and unit managers and supervisors in the goal-setting process. Goals were not established that would exclude any gender or race/ethnic group.

### **RECRUITMENT/ADVERTISING:**

The Action-Oriented Programs designed to address the underutilization of women and minorities are listed below. These Action-Oriented Programs were initiated in 2011 and will be carried-out throughout the AAP year. PTWP officers, with the help of the managers, will be responsible in ensuring that the following are implemented.



1. PTWP will place advertisements on job opportunities through local job service offices. The local job service office, Pennsylvania CareerLink, will be notified concurrent with the placement of internet advertisements.
2. Due to the extensive technical education and experience required for some positions, PTWP will also place job opportunity announcements on the company website, with professional search firms and on internet job boards when appropriate.
3. Advertisements and newsletters will regularly carry the Equal Employment Opportunity clause.
4. Minority and female applicants have and will be considered for all positions for which they are qualified.
5. PTWP will participate in job fairs, including diversity specific fairs, if there are a sufficient number of openings to warrant participation.
6. PTWP will recruit at several local colleges and universities if there are sufficient specialized or technical openings to warrant such recruitment.
7. PTWP will continue to publish recruiting brochures where minority and female members of the workforce are included, as well as in other company literature.
9. PTWP will be committed to diversity specific internet postings, such as Monster.com Diversity Package.
10. PTWP will continue to provide exceptional support to their employees who serve in the National Guard and Reserve.

### **TRAINING**

PTWP's Equal Employment Opportunity policy refers to all aspects of the employment cycle including training and educational opportunities.

PTWP ensures that women and ethnic minorities have access to the same training and education opportunities as all other employees. These opportunities may include on the job training that's necessary to satisfactorily perform one's job, external training seminars, on-line training via the internal Learning Management System, or educational courses that are eligible under the employee tuition reimbursement program. Once IT systems and programs are more readily available, employees will be able to choose training courses through the Training Catalog and include them in their career development plan.

PTWP has a "zero tolerance" policy with respect to harassment or discrimination against any group or individual. This policy, combined with the Equal Opportunity Policy, work together to ensure that all employees have equal access to training opportunities. The Human Resources team shall be responsible for making career counseling available for all employees.

**PROMOTION**

The Equal Employment Opportunity policy refers to all aspects of the employment cycle including position upgrades and promotions.

In addition, the Employee Relations section of PTWP's Code of Ethics requires that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the company. PTWP is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Where positions are governed by contract with a labor organization, promotion opportunities are managed within the scope of the contract requirements.

**JOB SELECTION/ADVANCEMENT**

**Job Specifications/Selection Process:**

1. Position descriptions have been developed that accurately reflect position functions, and are consistent for the same position from one location to another.
2. Job or worker specifications have been developed that contain academic, experience, and skill requirements that do not constitute inadvertent discrimination. All job specifications will be free from bias with regard to age, race, color, religion, national origin, disability or veteran status.
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PTWP's Equal Employment Policy states:

*The Company provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal, state and local laws. PTWP Natural Gas complies with applicable state and local laws governing non-discrimination in employment in every location in which the company has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.*

*The Company is committed to diversity initiatives including affirmative action planning, committee efforts, pro-active diversity recruiting, employee education and special diversity events and sponsorships.*

PTWP has established a percentage annual placement goal whenever it found that minority or female representation within a job group was less than would reasonably be expected given their availability. In each case, the goal was set at the availability figure derived for women and/or minorities, as appropriate for that job group. These goals take into account the availability of basically qualified persons in the relevant labor area. They also take into account anticipated employment opportunities with our organization. PTWP believes these goals are attainable. These goals will be reached primarily through recruiting and advertising to increase the pool of qualified minority and female applicants and through implementation of our action-oriented programs. Selections will occur only from among qualified applicants. Goals do not require the hiring of persons when there are no vacancies or the hiring of a person who is less likely to do well on the job ("less qualified") over a person more likely to do well on the job ("better qualified"), under valid selection procedures. Goals do not require that PTWP hire a specified number of minorities or women.

Goals are not rigid and inflexible quotas which must be met, but are instead targets reasonably attainable by means of applying every good faith effort to make all aspects of the entire AAP work. A goal is a guidepost against which PTWP, a community group, or a compliance agency can measure progress in remedying identified deficiencies in the workforce. By setting realistic goals, based on expected vacancies and anticipated availability of skills within the relevant labor area, and using a job related selection system, PTWP should be able to meet the goals, assuming we conduct effective recruitment and advertising efforts to ensure an adequate pool of qualified minority and/or female qualified applicants from which to make selections.

In establishing goals, PTWP considered the results which could reasonably be expected from putting forth every good faith effort to make our overall AAP work. We involved human resources staff, department heads, and unit managers and supervisors in the goal-setting process. Goals were not established that would exclude any gender or race/ethnic group.

### **RECRUITMENT/ADVERTISING:**

The Action-Oriented Programs designed to address the underutilization of women and minorities are listed below. These Action-Oriented Programs were initiated in 2011 and will be carried-out throughout the AAP year. PTWP officers, with the help of the managers, will be responsible in ensuring that the following are implemented.

1. PTWP will place advertisements on job opportunities through local job service offices. The local job service office, Pennsylvania CareerLink, will be notified concurrent with the placement of internet advertisements.
2. Due to the extensive technical education and experience required for some positions, PTWP will also place job opportunity announcements on the company website, with professional search firms and on internet job boards when appropriate.
3. Advertisements and newsletters will regularly carry the Equal Employment Opportunity clause.
4. Minority and female applicants have and will be considered for all positions for which they are qualified.
5. PTWP will participate in job fairs, including diversity specific fairs, if there are a sufficient number of openings to warrant participation.
6. PTWP will recruit at several local colleges and universities if there are sufficient specialized or technical openings to warrant such recruitment.
7. PTWP will continue to publish recruiting brochures where minority and female members of the workforce are included, as well as in other company literature.
9. PTWP will be committed to diversity specific internet postings, such as Monster.com Diversity Package.
10. PTWP will continue to provide exceptional support to their employees who serve in the National Guard and Reserve.

### **TRAINING**

PTWP's Equal Employment Opportunity policy refers to all aspects of the employment cycle including training and educational opportunities.

PTWP ensures that women and ethnic minorities have access to the same training and education opportunities as all other employees. These opportunities may include on the job training that's necessary to satisfactorily perform one's job, external training seminars, on-line training via the internal Learning Management System, or educational courses that are eligible under the employee tuition reimbursement program. Once IT systems and programs are more readily available, employees will be able to choose training courses through the Training Catalog and include them in their career development plan.

PTWP has a "zero tolerance" policy with respect to harassment or discrimination against any group or individual. This policy, combined with the Equal Opportunity Policy, work together to ensure that all employees have equal access to training opportunities. The Human Resources team shall be responsible for making career counseling available for all employees.

**PROMOTION**

The Equal Employment Opportunity policy refers to all aspects of the employment cycle including position upgrades and promotions.

In addition, the Employee Relations section of PTWP's Code of Ethics requires that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the company. PTWP is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Where positions are governed by contract with a labor organization, promotion opportunities are managed within the scope of the contract requirements.

**JOB SELECTION/ADVANCEMENT**

**Job Specifications/Selection Process:**

1. Position descriptions have been developed that accurately reflect position functions, and are consistent for the same position from one location to another.
2. Job or worker specifications have been developed that contain academic, experience, and skill requirements that do not constitute inadvertent discrimination. All job specifications will be free from bias with regard to age, race, color, religion, national origin, disability or veteran status.
3. Approved position specifications and worker specifications have and will be made available to all members of management involved in the recruiting, screening, selection, and promotion process. Copies may also be made available to recruiting sources.
4. PTWP will continue to use only worker specifications that include job-related criteria.
5. PTWP will continue to carefully select and counsel all personnel involved in the recruiting, screening, selection, promotion, disciplinary, and related processes to eliminate bias in all personnel actions.

**Job Advancement:**

1. Minority and female employees will be made available for participation in Career Days, and related activities in the community, as desired.
2. PTWP will continue to post or announce job opportunities. PTWPs' Job Posting Policy System requires postings of all positions up to the Senior Management level.

3. Establish, whenever feasible, formal career counseling programs to include personal development, education, aid, job rotation, buddy system, and similar programs. Of particular interest is the PTWP Supervisor Assessment program which will be implemented in 2012.
4. PTWP has and will continue to require supervisory personnel to submit justification when apparently qualified minority or female employees are passed over for upgrading or promotion.
5. PTWP will review seniority practices to ensure such practices are non-discriminatory and do not have discriminatory effect.
6. All employees have and will continue to be actively encouraged to participate in facilities and company-sponsored social and recreational activities.
7. PTWP will continue to use our formal employee evaluation program. The performance Appraisal is used for annual reviews for all employees.
8. Tuition assistance is offered to all employees who are interested in pursuing an undergraduate degree or an advance degree, with certain limitations.

### **RETENTION**

Retention policies are designed to help create an environment where in each employee feels valued and believes that he or she can contribute to the best of his or her abilities. PTWP' workforce can be characterized as one that tends to have employees with a significant length of service. It believes that this is largely due to their employment practices, fair and ethical treatment and equitable pay.

The PTWP Code of Ethics states very specifically that each employee and officer should promote diversity, inclusiveness, and understanding in the workplace by valuing the individuality and creativity that every employee brings to the Company. The Company is committed to hiring, placing and promoting employees on the basis of ability and merit and evaluating employees on a fair and consistent basis.

Aside from Regulatory Compliance as a federal contractor, PTWP is committed to a diverse and inclusive workplace. The focus of Senior Management is to promote fairness and equality for all employees and have established a Diversity Council whose mission is to be a portal or gateway for employees to continue this tradition.

The Diversity Council is inclusive of representatives from various work locations. It has committed to providing and fostering an inclusive business environment that leverages the unique talents, perspectives and experiences of each employee. They will accomplish this by:

- 1) Focusing on the recruitment, development and retention of diverse talent;



- 2) Creating a work environment that enables all employees to reach their full potential;
- 3) Educating all employees to increase diversity awareness; and
- 4) Maintaining a vendor/supplier base that will allow us to meet the unique needs of a diverse customer base.

In 2011, the diversity council was established to incorporate employees who bring fresh perspectives and ideas to the already established council. Council members participated in a training delivered by an external diversity consultant to build relationships amongst council members and to truly understand the council's mission. Education efforts continue with newsletters and bulletin boards playing a significant role in ensuring that diversity and inclusion is incorporated in to the Company's vision and values.

The new hire orientation program for all employees includes a thorough discussion regarding the company's diversity initiative and watching the Diversity Diner video.

Commitment to diversity is recognized in the company's vision and values. Our commitment to the community includes:

- 1) Provide opportunities for quality employment across a diverse network of candidates.
- 2) Embrace a culture of teamwork and diversity.

As a company, we support this vision by valuing and appreciating the diversity of our workforce and our community.

**DESCRIPTION OF SERVICE TERRITORY**

PTWP provides safe and reliable delivery of natural gas to 60,000 customers in Western Pennsylvania.

**DEFINITION OF RELEVANT LABOR FORCE  
WORKFORCE/RELEVANT LABOR FORCE COMPARISON**

The statistics for the table listed below are based on the United States Census Bureau Profile of General Demographic Characteristics (Census 2000 Summary File 1 (SF 1) 100 Percent Data.

Using the 2000 Census data for the counties where we operate (Allegheny, Armstrong, Beaver, Blair, Butler, Cambria, Clarion, Fayette, Greene, Indiana, Lawrence, Mercer, Somerset, Venango, Washington, and Westmoreland), the following comparisons apply:

	<b>WOMEN</b>	<b>MINORITIES</b>
<b>INTERNAL WORKFORCE</b>	16.7%	0%
<b>RELEVANT LABOR FORCE*</b>	49.9%	5.6%

\*Raw statistics – population 18 years and older, not weighted for PTWP-specific jobs.

**PEOPLES TWP LLC  
Workforce Composition Year End 2011**

		Male							Female													
Job Code	Job Category	Total	Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American		Black	White	Hispanic	Asian/P.I.	Two or More Races	Native American							
1.1	Executive/Senior Level Officials and Managers	10		9							1											
1.2	First/Mid Officials & Manager	21		19						2												
2	Professionals	16		4						2												
3	Technicians	13		12						1												
4	Sales Workers	10																				
5	Office & Clerical	31		3						28												
6	Craft Workers (Skilled)	57		57																		
7	Operatives (Semi-skilled)	64		64																		
8	Laborers	1		1																		
9	Service Workers	10																				
	<b>Total Workforce</b>	<b>203</b>	<b>0</b>	<b>169</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
			<b>Minority Headcount =</b>					<b>0.0%</b>					<b>Female Headcount =</b>					<b>16.7%</b>				

## **Introduction**

On May 24, 2011 T.W. Phillips Gas and Oil Co. was acquired by LDC Holdings II, LLC, an indirect subsidiary of SteelRiver Infrastructure Fund North America LP and began to operate under the new name Peoples TWP LLC ("Peoples TWP"). Peoples TWP and its new affiliate, Peoples Natural Gas Company LLC, have filed with the Commission to form a service company. Once approved Supply Chain Management will follow the guidelines detailed below.

### **Narrative on M/W/DBE Efforts - Internal Efforts**

Peoples TWP's Supply Chain Management Department is responsible for developing, implementing, and managing company-wide programs to enhance the Peoples TWP's involvement in the development of diverse businesses. Peoples TWP's Supply Chain Management will serve as the company's liaison with governmental and community agencies, councils and other organizations for supplier diversity issues, and provides support to company business areas.

Peoples TWP's Supply Chain Management Department Supplier Diversity Program roles:

1. Develops and maintains company policy, procedures and tools which ensure diverse businesses are afforded maximum practicable opportunities to participate in company procurement activities
2. Serves as the primary company contact/representative for all supplier diversity issues relating to diverse businesses, governmental and community agencies, councils and other organizations at the local, state and national levels
3. Coordinates the development of annual business area and corporate goals for expenditures with diverse businesses
4. Provides training for company personnel relating to supplier diversity programs and initiatives, policies and procedures
5. Provides training for prime contractors in developing effective internal supplier diversity programs to promote compliance with Peoples TWP's second tier subcontracting requirements.

**Narrative on M/W/DBE Efforts - External Efforts**

Peoples TWP's commitment to make every effort to procure goods and services from diverse businesses is complemented by our recognition that the growth and development of diverse businesses requires the support of organizations that serve as advocates for diverse business development. Organizations that serve as advocates for diverse businesses provide educational opportunities, networking opportunities, and a forum to address issues specific to diverse businesses. Peoples TWP will be active with organizations that serve as advocates for diverse business development.

Peoples TWP will be active with the following organizations.

1. The National Minority Supplier Development Council
2. Western Pennsylvania Minority Supplier Development Council (WPMSDC)

In addition to the organizations listed above, Peoples TWP utilizes the following sources to identify qualified diverse suppliers and contractors:

1. Files maintained by Peoples TWP collected at trade shows and networking events
2. The U.S. General Services Administration/U.S. Small Business Administration (SBA) and regional offices
3. Internet supplier diversity data bases and directories
4. National, state and local directories and publications
5. The State Departments of Minority Business Enterprise
6. Business associations such as Chamber(s) of Commerce (National Hispanic Chamber, Black Chamber, etc.)

**Narrative on M/W/DBE Efforts - Subcontracting Efforts**

Peoples TWP's commitment to make every effort to procure goods and services from diverse businesses requires the support and participation from our prime contractors. Peoples TWP's prime contractors are an integral part of our overall effort to provide maximum opportunities for diverse businesses to participate in our procurement requirements.

Peoples TWP will incorporate the following requirements in our Second-tier Subcontracting Program.

1. All procurements of \$550,000 or more shall contain language requiring the supplier to report actual diverse business subcontract results on a quarterly basis
2. All solicitations for goods and services of \$550,000 or more shall include a requirement that bidders include, as a part of their bid proposal, their subcontract plans for diverse businesses
3. The use of a weighted factor for diverse businesses participation in bidders' subcontracting plans may be used as a part of the overall evaluation to determine the successful bidder, when such actions are judged to foster the growth and development of these businesses, and cost is not adversely affected
4. Peoples TWP collects the Subcontracting Utilization Reports and reports the results yearly within the Company.
5. Peoples TWP Supply Chain Management Department is available to assist large prime contractors in developing internal supplier diversity programs and compliance with PNG's second-tier subcontracting requirements

## Procurements from Diverse Suppliers

### Procurements from all Diverse Suppliers

#### January 1, 2011-December 31, 2011

Minority	\$32,696
Women	\$868,260
Disabled	
Service Disabled	
HUB Zone	
Total Diverse Spend	\$900,956
Total Spend all Suppliers	\$8,735,418

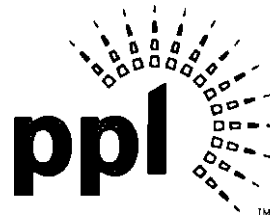
### Procurements from Diverse Suppliers located in Pennsylvania

#### January 1, 2011-December 31, 2011

Minority	\$31,914
Women	\$841,559
Disabled	
Service Disabled	
HUB Zone	
Total Diverse Spend	\$873,473
Total Spend all Suppliers	\$7,465,811

**Paul E. Russell**  
Associate General Counsel

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perussell@pplweb.com



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May 24, 2012

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MAY 24 2012

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

M-00940557

Re: **PPL Electric Utilities Corporation**  
**Report on Diversity**

Dear Ms. Chiavetta:

On March 28, 2012 PPL Electric Utilities Corporation ("PPL Electric") filed a copy of its "Report on Diversity to the Pennsylvania Public Utility Commission." After filing the report, PPL Electric discovered two small errors on page 4 of the report.

Enclosed are two copies of corrected page 4 of the report. The first is a "track change" copy showing the two corrections. The second is a clean copy for the Commission's records.

Please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding the enclosed pages or need additional data, please call me.

Very truly yours,

A handwritten signature in black ink that reads "Paul E. Russell". The signature is written in a cursive, flowing style.

Paul E. Russell

Enclosure



"Leading People and Processes," a program for mid-level managers was piloted, training 24 participants (25% female). Nine managers from PPL Electric Utilities participated. The program focuses on skills vital for success as a PPL leader.

In 2011, over 460 newly hired or transferred PPL Electric Utilities employees were invited to participate in "Civil Treatment for Managers" and "Civil Treatment for Employees" training. This program focuses on manager's and employee's responsibilities for preventing, detecting, and correcting workplace harassment, sexual harassment, discrimination, and other inappropriate behaviors.

PPL's Technical Training Center provides technical and safety training as part of its strategy to develop employees. Training is provided to management and union employees. Courses are delivered by a professional staff of instructors in a classroom setting and on-the-job. A sampling of subjects include: power plant electrical and mechanical maintenance, line and substation maintenance, heavy equipment operation, computer software applications and all applicable OSHA safety practices. PPL also has a Nuclear Learning Center.

A variety of training programs designed to develop and broaden management skills are available for supervisory and professional employees. Workshops focusing on team building, leadership, emotional intelligence, conflict resolution, time management, and stress management, are a sampling of the types of programs available.

PPL provides a Tuition Assistance Program for all regular, full-time employees to develop job-related knowledge and skills. Under this program, employees may enroll in courses offered by accredited educational institutions. Varying degrees of reimbursement, ranging from 80-100%, are provided for eligible courses of study.

## Promotion

Most salaried positions below the level of General Manager and Director are considered for internal posting. In certain circumstances, e.g. developmental rotation assignments or succession planning, certain positions are not posted. Each manager is ultimately responsible for the selection of people. The manner in which each manager fulfills this responsibility is an important part of the manager's overall performance.

In PPL Electric Utilities in 2011, there were 134 non-union promotions in various job groups. Of these, 36 were females and 5 were minorities.

Deleted: 102

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PPL's EEO philosophy applies equally to union and non-union employees, and the Company includes a non-discrimination clause in its Labor Agreements. Policies regarding promotion, demotion, layoff, or termination are clearly covered

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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Washington, DC 20036-1795

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**Step toe**  
STEPTOE & JOHNSON LLP

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ORIGINAL

June 29, 2012

M-00940557

PENNSYLVANIA PUBLIC UTILITIES COMMISSION  
400 NORTH STREET  
KEYSTONE BLDG.  
HARRISBURG, PA 17120

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2012 JUL -5 AM 10:04  
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### Affirmative Action Notice

Step toe & Johnson LLP is currently treated as a federal contractor by OFCCP. As a result Step toe's covered vendors and subcontractors, including but not limited to those with 50 employees and a contract of at least \$50,000, are required to comply with Executive Order 11246, as amended, Executive Order 13496, the Vietnam Era Veterans' Readjustment Act of 1974, as amended, the Rehabilitation Act of 1973 as amended, the Americans with Disabilities Act, as amended, and all rules and regulations related to or implementing the foregoing Orders and statutes, unless otherwise exempt. These obligations include, but are not limited to, developing Affirmative Action Programs, annually filing the SF-100 (EEO-1) and VETS-100A forms, and displaying required posters.