

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

MIRANT CALIFORNIA, LLC

AND

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS
LOCAL 1245**

November 1, 2008 thru October 31, 2013

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PREAMBLE

This Agreement is effective the 1st day of November, 2008 by and between MIRANT CALIFORNIA, LLC located in Pittsburg, California, hereinafter referred to as the "Company" and LOCAL UNION NO. 1245 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, hereinafter referred to as the "Union."

WITNESSETH:

WHEREAS, it is the intent of the parties to set forth herein their Agreement covering rates of pay, wages, hours of employment and other conditions of employment; to promote efficiency, safety and productivity of employees and to provide for prompt and fair settlement of grievances;

NOW, THEREFORE, the parties do agree as follows:

ARTICLE 1 **GENERAL PURPOSE OF AGREEMENT**

1.1 The parties acknowledge that the California energy market is now deregulated, and one of the objectives of this Agreement is competitive operation in this new market. The general purpose of this Agreement is to set forth the hours of work, rates of pay, and conditions to be observed by the Company, Union, and employees and to provide orderly and harmonious procedures between the Company, Union, and employees. It is the further purpose of the Agreement to prevent interruption of work and to promote the efficient operation of business.

1.2 Any reference to gender contained within the provisions of this Agreement is inadvertent and is in no way intended by the parties, and should not be so construed, as making applicable such provisions to any one gender.

ARTICLE 2 **UNION SECURITY**

2.1 Every employee covered by this Agreement shall, not later than thirty (30) calendars days after the commencement of employment, as a condition of employment, tender to the Union: (a) an amount of money equal to the initiation fee uniformly charged by the Union to all employees who become members of the Union, unless the employee has, at any previous time, tendered such an amount of money to the Union; and (b) an amount of money equal to the monthly dues uniformly charged by the Union to all employees who are members of the Union. Thereafter, such employee shall tender to the Union an amount of money equal to the monthly dues uniformly charged by the Union to all employees who are members of the Union.

2.2 Upon request by Union, and no more often than monthly, Company shall provide Union a list of employees in the bargaining unit.

2.3 Any bargaining unit employee who is temporarily placed in a non-bargaining unit classification shall continue to be subject to the provisions of Section 2.1 above, for the duration of such temporary assignment. If any employee is temporarily assigned to a supervisory position, he shall not be discriminated against by the Union for performing as the Employer's representative, with the exception of payment of dues, for the duration of the temporary assignment.

2.4 Union recognizes its obligation to inform bargaining unit members of the rights and obligations with respect to union membership. The Company will allow the Union to meet with all new hires, up to thirty minutes paid time, to satisfy this provision.

ARTICLE 3 **DUES CHECK-OFF**

3.1 Company shall deduct from wages and pay over to the proper officers of Union membership dues of any employee as provided for in Section 2.1 above who individually and voluntarily authorizes such deductions in writing.

3.2 The Union shall indemnify the Company and hold it harmless against any and all suits, demands, and liability that may arise out of, or by reason of, any action that shall be taken by the Company for purposes of complying with the foregoing provisions of this Article 3 or in reliance on any authorization or list which shall be furnished to the Company by the Union under any of such provisions.

3.3 If the federal or state government rules that the check off authorization form, or right to terminate the same, as contained in this Agreement, violates federal or state law, then the same shall be considered deleted and the appropriate form and/or authorization shall be substituted in its place.

ARTICLE 4 **UNION RECOGNITION AND WORK JURISDICTION**

4.1 This Agreement shall cover the bargaining unit of Power Plant Technicians employed at the Company's Contra Costa, Pittsburg and Potrero Power Plants (collectively referred to as "the Plants"), and shall exclude all other employees.

4.2 The Company recognizes the Union as the sole bargaining agent for the bargaining unit defined in this Article 4.

4.3 This Agreement shall be binding upon the successors and assigns of the parties hereto and no provisions, terms, or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, transfers, or assignments of either party hereto, or by any change geographical or otherwise, in location or place of business of either party hereto. In the event the Company sells or transfers any location, this Agreement shall remain in full force and effect and be binding upon the purchaser or transferee and the Company agrees it will include in the purchase agreement that this Agreement is so binding.

ARTICLE 5 **UNION STEWARDS**

5.1 For the purpose of representation within a facility, the Union shall be entitled to select a reasonable and adequate number of stewards, who shall restrict their activities to the handling of grievances and other legitimate Union business, and who shall be allowed a reasonable amount of time for this purpose.

5.2 Each steward shall be a regular full-time member of the bargaining unit and shall perform the work assigned by the Company.

5.3 Stewards shall not be recognized by the Company until the Union has notified the Company's Human Resources department in writing of the selection.

5.4 Stewards shall not conduct Union business during their regular working hours without obtaining prior approval from a supervisor.

ARTICLE 6 **UNION REPRESENTATIVES AND ACCESS**

6.1 A written list of the Union Business Representatives assigned to service this Agreement shall be furnished to the Company immediately after their designation and the Union shall notify the Company of any changes in the list which occur from time to time.

6.2 Duly authorized Business Representatives of the Union shall be permitted at reasonable times to enter the Plants covered by this Agreement for the purpose of transacting Union business and observing conditions under which employees are employed.

6.3 The Business Representative will coordinate visits with the Plant Manager/O&M Manager or his designee upon entering a facility, and the Business Representative may not unduly interfere with the employees' work at any time.

- 6.4 Company may make reasonable designation of controlled-access areas.
- 6.5 All Union business postings will be limited to Company-provided Union bulletin boards.

ARTICLE 7
NOTICES BETWEEN THE UNION AND THE COMPANY

7.1 Notices hereunder shall be deemed to have been adequately given if served by certified mail upon the persons named below at the addresses indicated unless otherwise notified in writing.

Notice to the Union shall be addressed to:
IBEW - LOCAL #1245
Attn: Business Manager/Financial Secretary
P. O Box 2547, 95696 (US Mail)
30 Orange Tree Circle, 95687 (FedEx)
Vacaville, CA

Notice to the Company shall be addressed to:
MIRANT CALIFORNIA, LLC
Attn: Human Resources Manager
P. O. Box 192 (US Mail)
696 W. 10th Street (FedEx)
Pittsburg, CA 94565

7.2 Either party may, in its sole discretion, designate in writing any new persons to receive said notices during the life of this Agreement.

ARTICLE 8
PROBATIONARY EMPLOYEES/LENGTH OF SERVICE

8.1 All employees covered by this Agreement are deemed probationary from their date of hire through their first 180 continuous calendar days of employment, and during such time may be terminated with or without just cause.

8.2 An employee's length of service shall begin on the employee's first date actually worked including service granted to "Transition Employees" as defined in the Memorandum of Understanding, dated November 1, 2000. Should two employees begin work on the same day the following process shall be used for determining the employee with the greatest service: by the last four (4) digits of the employees' social security number, with the lowest number determining the higher seniority

8.3 Employees who leave in good standing and are rehired at a later date will be considered a new hire. "Good standing" means that the employee was not terminated for cause. Any employee terminated for cause is not eligible for rehire at any Company facility.

8.4 Probationary employees are not eligible for certain benefits including holiday pay, vacation, bereavement/funeral pay and personal time off.

ARTICLE 9 **TEMPORARY EMPLOYMENT**

9.1 The Company will provide the Union hiring hall forty-eight (48) hours advance notice of the need to hire a temporary employee for a work schedule in excess of five (5) work days. All temporary employees will be "at will".

9.2 When notifying the Union of the need for a temporary employee, the Company may:

- (A) Call employees by name.
- (B) Send a letter to the Union specifically requesting that the Union not send a particular individual in response to the referral without payment of any type, for a twelve month period.

9.3 The Union will have up to forty-eight (48) hours to refer applicants for employment to the Company.

9.4 The Company retains the right to reject any applicant. Should an applicant be rejected, the applicant will receive four (4) hours' pay at the Minimum Rate set forth in Article 12.

9.5 If the Company rejects all referred applicants or if the Union cannot refer a qualified applicant, the Company may hire an applicant from any source.

9.6 Temporary employees hired under this Article shall be paid no less than the Minimum Rate.

9.7 Should the Company desire to employ an individual on a temporary basis for five (5) consecutive work days or less, the Company need not use the aforementioned hiring hall process contained in this Article, but shall instead be allowed to direct hire.

ARTICLE 10
SENIORITY/LONGEVITY OF SERVICE/LAYOFFS

10.1 For purposes of layoff, transfers, and position changes within the bargaining unit, the Company shall select employees on the basis of skills, operational needs and length of service. "Service" means continuous service in the Company's employ and shall include service recognized in Article 8.2, and service shall not be interrupted by authorized time off of one (1) year or less. Unauthorized time off which results in discipline may not be counted for service credit. A termination from employment, voluntary or involuntary, eliminates all service. Notwithstanding the above, former employees who are rehired by the Company within eighteen (18) months of their last active date of employment shall have their service bridged.

10.2 Employees shall have the right to be recalled for up to eighteen (18) months after a layoff. Recalled employees shall be rehired in the reverse order of layoff, provided such employees are qualified for the vacant positions.

ARTICLE 11
MANAGEMENT RIGHTS

11.1 The Company shall at all times, subject to the provisions of this Agreement and the law, retain the sole right to manage its business and direct the working force, including the rights to decide the number and location of plants, the equipment incidental to operation, the products to be manufactured, the method of manufacture, and the scheduling of production; to determine whether and to what extent the work required in its business shall be performed by employees covered by this Agreement; the right to lease or to sublease; the right to expand, sell, subcontract, move, establish new operations, transfer and/or terminate all or part of its operations; the right to establish and/or change hours of work including number of hours worked and/or work schedules; the right to select, hire and layoff employees and/or to determine the size, content, and composition of the required jobs within the Plants, including the right to set job requirements and judge performance; to cross-train employees; to reassign job tasks between employees; to transfer employees and/or work between departments and to eliminate or create new jobs; to determine the levels of productivity, quality and efficiency; the right to discipline, suspend or discharge employees with just cause; the right to change or introduce any new or improved methods, materials, equipment or facilities; the right to promote; the right to determine the methods, techniques and types of work or service to be performed, not performed, or work or service to be subcontracted; and the right to make and enforce reasonable rules and regulations as the Company may consider necessary for the operation of its business. Any right not given to the Union in this Agreement shall remain the sole and exclusive right of the Company. The exercise of management rights in this Article is not subject to Grievance and Arbitration under Article 21.

11.2 The management right involving the right to determine whether and to what extent the work required in its business shall be performed by the employees covered by this Agreement is not intended to reduce the size of the bargaining unit. Except where the bargaining unit size would be reduced or an employee would suffer a loss in regularly scheduled work hours, management and staff may be used to perform bargaining unit work when necessary to maintain operations, conduct training, provide temporary relief, address temporary staffing shortages, or perform quality inspections or testing.

11.3 The Company may from time to time establish reasonable rules and regulations relating to the maintenance of performance, order, safety, Company issued equipment, attendance and discipline among its employees, together with disciplinary penalties for their enforcement. Such rules shall be posted on the Company bulletin board seven (7) days prior to implementation. Such rules and regulations and any changes established shall be within the sole right of the Company to implement, but they will be reviewed with the Union before posting.

ARTICLE 12 **COMPENSATION AND PAYROLL**

12.1 Employees will receive a four percent (4%) wage increase on March 1 in each year of the contract beginning in 2009 to 2013. The wage rates and escalation table are those set forth in Appendix C.

12.2 Definition of a Lead union position is: Leads will be selected by management and can be a regular assignment or temporarily assigned to employees working outages or other projects. The Company can assign or unassign employees to the lead position at their discretion. Employees can choose to end their Lead assignment and return to their normal craft classification and pay rate. Leads can direct other bargaining unit employees in assigning work and technical direction. Leads will perform bargaining unit work. If a Lead employee returns to their craft level position, they will be placed at their 2005 wage rate unless that wage rate has progressed to a higher level pursuant to Appendix C.

12.3 There shall be no deductions from employees' pay covered by this Agreement except as provided in this Agreement or as required to: (1) repay outstanding loans made to an employee; (2) pay for medical premiums; (3) pay for charitable contributions designated by the employee; (4) pay for other deductions authorized by the employee and agreed to by the Company, or those deductions authorized in the manner prescribed by law (e.g., garnishments); and (5) to pay restitution in the event of theft or unauthorized conversion of Company property.

12.4 Wages shall be paid at biweekly intervals on Fridays for a two weeks' payroll period ending no more than ten (10) days prior to the pay date, provided if the regular pay date falls on a holiday payment shall be made on the preceding workday.

12.5 Paid leave under Article 14 shall be at the straight time rate, and shall not include overtime or holiday premiums or shift differentials.

12.6 Regular, full-time employees assigned to a rotating shift will be paid a one dollar (\$1.00) hourly premium for all hours worked. These premiums will be included in the base rate of pay for overtime calculations. Nonshift employees assigned to work a temporary shift outside their normal work hours for more than 5 consecutive days will also be entitled to the \$1.00 hour shift premium.

12.7 The Company reserves the right to award extra pay to any individual bargaining unit employee, or groups of employees, based on performance. This monetary or non-monetary award, subject to applicable taxes, is not to be considered part of any of the Company's annual incentive pay program.

12.8 In the event of a layoff the Company shall offer the Mirant Services Severance Pay Plan for Collective Bargaining Unit Employees (the Plan), except as modified herein:

- The Plan shall not be modified, terminated or amended without prior agreement between the Company and the Union.
- All bargaining unit employees covered under this Agreement shall be deemed eligible for the Plan.
- Service shall include all years of service, including those from PG&E as already recognized by Mirant.
- Article 8 of the Plan shall be modified to reflect that any severance benefit shall not exceed 1 ½ times W-2 pay (Box 1) for the most recently completed calendar year.

The Company and Union will develop a process of administering the severance procedure.

ARTICLE 13 **RETIREMENT INCOME AND GROUP WELFARE BENEFITS AND** **COVERAGES**

13.1 The retirement income and group welfare benefit plans which have been negotiated as part of the Agreement will remain in effect for the life of the Agreement, unless changed by mutual agreement. Except as set forth in Article 8.4, eligibility for and the operation of such plans will be governed by the plan documents.

13.2 The Company will provide benefit plans in which employees and retirees shall share the cost of certain benefits (e.g., medical/dental coverage). A summary of the coverage's and the cost-sharing for such coverage's is set forth in Appendix A. To the extent provided by law, Company will provide that employee costs will come from pretax income.

13.3 The Company may change carriers or administrators for any benefits covered by this Article in its sole discretion, provided that the Company provides comparable benefits. “Comparable benefits” does not include the exact same access to particular medical providers or facilities, or investment options. The Company will provide the Union both reasonable advance notice of any such change, and the opportunity to meet and confer prior to making any such change.

ARTICLE 14 **VACATION, HOLIDAYS AND PAID LEAVE**

14.1 When paid or unpaid leave is sought and provided for Vacation, Holidays, Sick Leave, Funeral Leave, Jury and Witness Duty, Military Duty and Personal and Medical Leave, and Kin Care Leave such leave will be provided and governed in accordance with the applicable leave procedure set forth in Appendix B. Based on operating requirements, all leave requests may be subject to management approval.

14.2 Unless otherwise addressed in the Agreement, the employees will be afforded and subject to all other Company Policies and Procedures and benefits provided to other non-exempt Company employees, and which will remain in effect for the term of this Agreement.

ARTICLE 15 **INTER-PLANT TRANSFERS**

15.1 The Company may temporarily transfer or reschedule employees from one plant to the other to meet immediate operational needs or for outages. In such an event, the employee will be reimbursed for reasonable and actual board and lodging, or actual travel time and mileage, which exceeds their normal commute travel time and mileage for each day the employee commutes to the temporary location. Mileage shall be paid at the allowable IRS rate. The Company will make reasonable efforts to accommodate the employee’s preference without compromising employee safety.

15.2 Subject to operational needs, employees covered by this Agreement will receive priority consideration for transfers to regular full-time or part-time vacant positions to any facility covered by this Agreement which is not their originating place of work. Employees will be selected for transfers as provided in Article 10. Employees can apply for job opportunities by submitting their request using Mirant’s job posting system found on the Company’s website.

ARTICLE 16
HOURS OF WORK

16.1 The work week shall be seven (7) consecutive calendar days beginning at 6:00 a.m. on Monday and ending at 5:59 a.m. on the following Monday. The work day shall be any period of 24 consecutive hours beginning with the starting time of the employees' scheduled work period.

16.2 Except in cases where the Company adopts an alternative work schedule as noted below in this Article and in Article 16.4, the regular working hours will be 40 hours per week, eight (8) hours per day, not including a meal period of one-half (1/2) hour. Unless otherwise altered by the Company per the terms of this Agreement, non-shift employees shall work eight (8) hours per day, Monday through Friday, between the hours of 6:00 a.m. and 6:00 p.m. While it is the intent of the Company to maintain a normal schedule of weekly employment, this statement shall not be considered a guarantee of any minimum hours of work, or as a limitation of the number of hours which the Company may reasonably require an employee to work if the conditions necessitate additional hours of work, or any guarantee as to a specific schedule of work.

16.3 The Company may, in addition to the schedule noted above, schedule work shifts, in the following configurations:

- (A) Ten (10) hours per shift for four (4) days within a workweek.
- (B) Twelve (12) hour shifts for three (3) days within a work week, followed by twelve (12) hour shifts for four (4) days within the next workweek.
- (C) Nine (9) hours per shift for four (4) days and one day at eight (8) hours per day within a work week, followed by nine (9) hours per shift for four (4) days within a workweek.

Work time shall not include 30-minute unpaid meal breaks. This section shall not be construed as a guarantee of hours of work per day or per week, or a guarantee of days of work per week. The Company will provide at least two (2) week's notice of any change in work schedule, except in situations of operational emergencies.

16.3(a) Employees will clock out when they begin their meal breaks and will clock back in when their meal period ends. Meal periods are to be uninterrupted and free of work except in an emergency. Should an emergency situation arise or should an employee be required to resume work for any reason while on a meal break, the employee must clock back in before resuming work. Employee may leave their work stations or the plant during meal breaks. Employees may also use company-provided kitchens and eating facilities for meal preparation and dining; however, all cooking and eating must be done while employees are clocked out and on unpaid time. Employee

must be back at their work stations not later than 30 minutes after their breaks began. Should operational needs prevent an employee from taking his or her meal break the employee will be compensated with one hour of straight time pay. In no event will an employee be entitled to more than one hour of missed meal break compensation in any one day.

16.4 Nothing contained herein shall be construed as preventing the restructuring of the normal work day or work week as deemed reasonable to provide service in the event of work stoppage, failure of utilities to provide electricity, water, or gas for reasons beyond the Company's control failure of the sewer, or interruptions of work caused by acts of God or any other reasons beyond the control of the Company.

16.5 A Shift employee works a job that is staffed with a rotating twenty-four (24) hour per day shift, on a seven (7) day a week basis, including holidays.

16.5(a) Meal breaks for Shift Employees: Shift employees will be scheduled for an off duty 30 minute paid meal break, which will begin not more than 5 hours after the start of their shifts. Meal break times will be scheduled by the employees' supervisor. Shift employees are entitled to a second 30 minute unpaid meal break beginning no later than 5 hours after the end of their first meal period, unless they voluntarily waive this second meal period in writing. Employees who do not take a second meal break will be paid for the additional ½ hour worked.

Shift employee who work overtime without a break between the end of their regular work schedule and the commencement of their overtime work and who elected to waive the second meal period during their normal shift schedules are entitled to a meal pursuant to Article 17.8. Employees who took a second meal break during their regular shift schedule are entitled to a meal break beginning not more than 5 hours after the end of their second meal break should the period of overtime work extend that long.

16.6 Absent circumstances as set forth in Section 16.4, the Company shall not require an employee to work more than 16 hours without an 8 hour rest period, provided relief is available.

16.7 Each employee shall be allowed a ten-minute paid break in each half of a workday that equals four or more hours. Under no circumstance will rest periods become cumulative from day to day. Shift employees are authorized and permitted to take three (3) rest periods of net ten minutes each during each 12-hour shift.

ARTICLE 17 **OVERTIME**

This section shall not be construed as a guarantee of hours of work per day or per week, or a guarantee of days of work per week.

17.1 Overtime is defined as (a) any time worked outside of one's regular

schedule, or (b) any time worked on a paid holiday.

17.2 Overtime rates shall be paid under the following conditions:

- (A) All overtime will be paid at one and one-half times the regular hourly rate of pay with the following exceptions:
- Twice the regular hourly rate of pay will be paid after working 12 consecutive hours.
 - Twice the regular hourly rate of pay for all hours worked on a second and each day thereafter of overtime assigned.
 - Non-shift employees will receive twice the regular hourly rate of pay for overtime call outs.
 - All training assigned outside of regular work hours will be paid at the one and one-half times the hourly rate of pay. Under no circumstances will double time be paid for training.
- (B) Nothing in Article 17 shall prevent the Company from exercising a Home Early Day when operating conditions allow pursuant to the 12-hour shift schedule.

17.3 The Company shall have the right to assign overtime to qualified employees, but will make a good faith attempt to distribute overtime equitably. When operational needs require, employees shall be available to work overtime if requested to do so. If overtime is an extension of the normal work day or occurs during a lunch period, it will normally be assigned to the employee who is doing the particular job at the particular work station needed for overtime operation. All overtime scheduling must have prior approval by the appropriate supervisor.

17.4 No pyramiding of overtime and/or premium pay will be permitted, i.e., there shall not be payment of more than one overtime or premium rate for the same hours of overtime.

17.5 For the purpose of computing overtime pay, only time spent working shall be considered as hours worked. Travel time in connection with overtime work shall be paid at the overtime rate. Vacation, sick leave, funeral, floating holiday and jury duty are considered as time worked.

17.6 Lost time due to general leave, personal business, unexcused absence and lateness shall not be considered as hours worked. Hours worked on a Company recognized holiday shall be paid in accordance with this Article, in addition to the holiday received.

17.7 All overtime must be authorized by the employee's supervisor or management prior to working overtime hours except in the case of an emergency at which time the overtime may be authorized by the employee's supervisor after the emergency.

17.8 The Company shall furnish an appropriate meal or reimbursement when an employee is working overtime and is prevented from observing the normal meal practice. The meal or reimbursement is due every 5 hours during an overtime period except when the overtime is prearranged for a non-workday where the employee will provide the first meal (typically lunch). The first meal is due 5 hours following the end of the employee's lunch period or ¼ hour past the end of a 12-hour shift. Time to consume such meal shall be considered as time worked, and in no event shall exceed one-half hour. In the event the employee foregoes the meal, the employee will be reimbursed \$13.00 and one-half hour pay at the overtime rate for such missed meal.

ARTICLE 18 **REPORTING ALLOWANCE**

18.1 Reporting allowance is time for which an employee is paid, but during which no work is performed. It is "allowed" as provided in this Article.

18.2 An employee who is scheduled or called out to work, and who reports for work on time, shall be paid not less than two (2) hours at the applicable rate unless the employee has been directed by the Company before the end of the employee's previously scheduled shift or one (1) hour before the beginning of the employee's next scheduled shift not to appear for work. The Company will contact the employee at the employee's telephone number of record most recently placed on file with the Company. If there is no work in the occupation for which the employee reported, he may be assigned to other work.

18.3 In the event that work cannot be provided due to work stoppage, failure of utilities to provide electricity, water, or gas for reasons beyond the Company's control, failure of the sewer system, or interruptions of work caused by acts of God or any other reason beyond the control of the Company, the provisions of this Article do not apply.

18.4 When the Company deems it necessary, employees may be provided with electronic pagers in order to be available for operational contingencies or emergencies and for regular call-out obligations.

ARTICLE 19 **SAFETY**

19.1 All employees shall comply with all safety rules and regulations established by the Company. The Company will issue reasonable safety rules and regulations.

19.2 If an employee has justifiable reason to believe that his safety and health are in danger due to an alleged unsafe conditions, or equipment or unsafe work habits of others, he shall inform his supervisor immediately. The supervisor shall be responsible for determining what action or equipment, if any, is necessary to make the job safe or the job shall be shut down. If unsure about the safety criteria the supervisor may involve others in the assessment before rendering the decision.

19.3 The Company and Union will establish a Joint Safety Committee which will meet at least twice each year to discuss safety concerns, new regulations, and accidents. Any recommendation from this Committee will be advisory in nature.

ARTICLE 20 **NO STRIKE - NO LOCKOUT**

20.1 During the term of this Agreement, the Union, its agents, representatives, employees and persons acting in concert with it agree that they shall not incite, encourage, condone or participate in any strike, walkout, slowdown, sit down, stay-in, boycott, sympathy strike, sick-out, picketing, or other work stoppage, handbilling where handbilling may interfere with current or future operations, or any other type of similar interference with respect to the Plants; and it is expressly agreed that any such action is a violation of this Agreement. Upon receipt of a written notice of a violation to the Union, the Union and its officers shall take immediate action and will use their best efforts to notify any Union officers, members, representatives or employees, or persons acting in concert with them, either individually or collectively, to cease and desist from any violation immediately and to return to work. Nothing in this Agreement shall be construed to limit or restrict the right to any of the parties to this Agreement to pursue any and all remedies available under law in the event of a violation of this provision. Any employees inciting, encouraging, or participating in any strike, walkout, slowdown, sit down, stay-in, boycott, sympathy strike, sick-out, picketing, or other work stoppage, handbilling, where handbilling may interfere with current or future operations, or any other type of similar interference with respect to the Plants, or other activity in violation of this Agreement are subject to discipline up to and including discharge.

20.2 In consideration of the foregoing, the Company agrees that it shall not lock out or cause to be locked out any employee covered under the provisions of this Agreement. The term "lockout" does not refer to the discharge, termination or layoff of employees by the Company, nor does "lockout" include the Company's decision to terminate or suspend work at either Plant or any portion of either Plant for reasons unrelated to economic pressure on the Union or its members.

20.3 The Parties agree that any dispute under this Article, except employee discharges pursuant to Article 21.1, shall be submitted to the following arbitration procedure:

- (A) The Grieving Party shall submit to an arbitrator designated in subsection (B) below a sworn declaration containing, in reasonable detail, the relevant facts of the events giving rise to the dispute, and alleging a threatened or existing breach of this Article that shall cause or is causing irreparable harm. This declaration shall be simultaneously served on the other Party.
- (B) The declaration required under subsection (A) shall be submitted to the first available arbitrator on the following list to consider the dispute:

John Kagel	Chris Knowlton
Barbara Chaveny	Claude Ames
Ken Silbert	Gerald McKay
Barry Winograd	Norman Brand
Frank Silver	Jim Madison

- (C) The arbitrator shall have the authority, pending a full hearing, to issue interim, preliminary, or temporary orders as well as a final and binding decision following a hearing.
- (D) Any interim, temporary, preliminary or final decision or order from the arbitrator, as well as the ability to compel compliance with this procedure shall be enforceable by lawful judicial action by a court of competent jurisdiction.

ARTICLE 21
GRIEVANCE AND ARBITRATION PROCEDURE

21.1 Should either party allege a violation of this Agreement, an earnest effort shall be made to settle such matters promptly in accordance with this Grievance and Arbitration Procedure.

21.2 Whenever possible, prior to filing a formal grievance, any employee or his designated Steward, having a complaint under the terms of this Agreement shall explain the matter to his supervisor. The employee may request the supervisor to summon the Steward. An attempt will be made to settle the complaint at this stage.

21.3 Formal Grievances must be asserted and filed within ten (10) working days of when the grieving party knew or should have known of the alleged violation, or else they are barred. The period shall commence to run on the day following the action complained of. In case of disciplinary action, the Shop Steward will be present, if requested by the employee.

21.4 A steward may investigate and attempt to adjust a pending request, complaint or grievance. The Company and Union will determine those employees to be present at any scheduled meetings by and between the Company and the Union during the time the employee's grievance is discussed, provided the meeting(s) do not interfere with operations.

21.5 The Steps of the Grievance Procedure shall be as follows:

- (A) Step One: When the steward, employee and supervisor have been unable to resolve the complaint, it may be reduced to writing and submitted as a formal grievance by the Business Representative to the Plant Manager and Human Resources Manager, but no later than the ten (10) day time limit set forth in 21.3. The Union and the Company's Human Resources Manager or designee shall discuss the grievance within ten (10) working days from the date of receipt of the grievance. Either party may request a Local Investigating Committee (LIC) meeting to bring in witnesses, shop steward or grievant(s) to present the facts of the grievance issue. Within ten (10) working days after the meeting between Company and Union or LIC, the Company shall answer in writing to the Union. Within ten (10) working days after receipt of the Company's answer, the Union will provide in writing a signed settlement or written referral to Step 2.
- (B) Step Two: In the event the issue is not resolved in Step One, it may be referred by either party to the Review Committee comprised of the Company's Director of Operations and a Union Assistant Business Manager. They shall meet within ten (10) working days and have the authority to, interview additional witnesses, send it back for additional information, settle or send to the next step. If the grievance is settled at this step, Company will provide the union a written settlement within ten (10) working days of meeting documenting the agreed-to settlement. Union will reply in writing within ten (10) working days of receipt of Company's written settlement by either returning the signed settlement or a letter indicating settlement or refer the matter to Step three.
- (C) Step Three: Either party may request the Federal Mediation and Conciliation Service to provide a list of no less than seven (7) qualified arbitrators by separately submitting the request directly to the FMCS. Either party may reject a list in its entirety on one occasion. Within five (5) working days of receipt of such list, the individuals to represent the parties at the arbitration hearing and one other individual appointed by each party shall confer

to select an arbitrator by alternatively striking the name from the list until one name remains who shall be the arbitrator. The parties shall flip a coin to determine who strikes the first name. The date to be set for the arbitration shall be one which is mutually agreed to by and among the arbitrator, the Union and the Company. At this Step, the parties will also attempt to resolve the issue in a manner that is satisfactory to both parties. If an agreeable settlement is not reached, the parties will jointly advise the arbitrator of the following agreed upon steps which s/he is to follow in the rendering of his/her decision:

- (1) The decision of the arbitrator shall be in writing and shall be final and binding upon the parties. The burden of proof for any decision shall be by a preponderance of the evidence.
- (2) Back pay remedies shall be limited to a maximum of no more than ten (10) months retroactive pay, unless it is shown that the Company willfully and deliberately violated the Agreement.
- (3) The arbitrator shall have no power or authority to add to or subtract from or modify in any way the terms and conditions of this Agreement. Where termination is at issue, the Arbitrator shall only have the power to adjudicate the issue of "just cause."
- (4) All fees and expenses of the arbitrator shall be shared equally by the Company and the Union.

21.6 Failure to timely raise, file or appeal any grievance within the time limits set forth above will result in the grievance being waived; provided, however, that the time limits set forth above may be extended by the mutual written agreement of the parties which will include an agreed-to date of extension. Time limit extension requests must be written (email is acceptable), received and agreed-to by the other party by the time limits set forth in Step One or Step Two above. It is agreed that no grievance shall be valid unless appealed within the time provided herein. Where the grievance has not been appealed as provided herein, it shall be considered settled on the basis of the last answer given by the Company. If the Company fails to respond in accordance with the time limits set forth herein the grievance will be settled as requested by the Union.

21.7 Any grievance affecting the hourly rate of an employee which is settled in favor of the employee shall not be retroactive to a date earlier than sixty (60) calendar days prior to the date the grievance was presented to the Company in writing in Step 1 of this procedure.

ARTICLE 22
NO DISCRIMINATION

22.1 The Company shall not discriminate against any employee because of membership in or activity on behalf of the Union. The Union shall not discriminate against, coerce, or intimidate any employee because of non-membership in the Union.

22.2 The parties agree that employees are entitled to equal employment opportunity and the parties will not discriminate against qualified employees or applicants by reason of his or her race, creed, religion, color, sex, national origin, age, disability, veteran status, marital status, perceived or actual sexual orientation or citizenship status, as these terms are defined and interpreted under the provisions of the following statutes, as amended: Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Vietnam Veterans Readjustment Act of 1974, the Family and Medical Leave Act, the California Family Rights Act, the Immigration Reform and Control Act of 1986, and any other applicable federal/state/local laws governing discrimination.

22.3 The Company and the Union agree that no employee should be subjected to unlawful harassment on any basis prohibited by law, including sexual or racial harassment.

22.4 The Union acknowledges its obligation to abide by the laws, regulations and policies which prohibit discrimination, intimidation, or harassment. The Union recognizes that bargaining unit employees must comply with the Company's non-discrimination policy and its policy against harassment. The Union also recognizes that, should the Company determine that an employee is in violation of the non-discrimination or harassment policy, the employee may be subject to disciplinary action up to and including discharge.

22.5 If, pursuant to any court or administrative order or settlement of a lawsuit or charge under any anti-discrimination law, the Company must change or provide terms and conditions of employment inconsistent with this Agreement, the parties agree that said Court order or settlement terms shall supercede the provisions of this Agreement.

22.6 The parties agree that the Company may provide reasonable accommodation to the known physical or mental limitations of an otherwise qualified disabled employee or applicant pursuant to state and/or federal disability laws. The parties agree to meet and confer regarding the accommodation and, if they cannot agree, the Company may implement any reasonable accommodation.

22.7 The Company and the Union agree to comply with the applicable requirements of the Family and Medical Leave Act of 1993 and similar applicable laws when and so long as such laws are in effect. Such actions shall not be considered a violation of any provision of this Agreement, notwithstanding any other provisions of

this Agreement, nor shall such actions be used as evidence of precedent or past practice in any subsequent situation.

ARTICLE 23
SAVINGS CLAUSE

23.1 In the event any clause or provision of this Agreement is ruled an “unfair labor practice” by the National Labor Relations Board or should become invalid by reason of present or future legislation, regulation, or decision by any court or other tribunal with jurisdiction, the remainder of this Agreement or the application of such provision to other persons or circumstances shall not be affected. In such event, the parties shall meet within thirty (30) days to negotiate a substitute provision which will, as nearly as possible, reflect the intent of the suspended clause in a lawful manner. In any event, the No Strike -- No Lockout provisions contained in Article 20 shall remain in effect for the term of this Agreement as to any issue which might be addressed by negotiating commenced pursuant to this Article.

23.2 This Agreement constitutes the sole and entire existing agreement between the parties and completely and correctly expresses all of the rights and obligations of the parties. All prior agreements, conditions, past practice, customs, usages, memoranda of understanding (MOU), letters of intent, arbitration findings, settlements of grievances, and obligations are expressly and completely superseded, revoked and terminated as of the effective date of this Agreement. Nothing in this section is intended to abrogate any employee rights with respect to wages, benefits or discipline. Fully signed understandings that will be included as part of this Agreement are:

Document	Subject of Document	Date on Document	Signed by Company	Date Signed by Union	Signed by Union
Memorandum of Understanding	Conditions of employment for employees who left PG&E to join SEI	10/27/2000	Mark Gouveia	10/28/2000	Jack McNally & Howard Steifer
Letter Agreement	SF Sick Leave Ordinance	2/20/2007	Lisa Battles	2/12/2007	Hunter Stern

23.3 The waiver of any particular instance or series of instances of any term or condition of this Agreement or any breach hereof by either party shall not constitute a waiver of such term or condition or of any breach thereof in any other instance.

23.4 Time is of the essence in this Agreement. Any time period or time limit included in this Agreement has been carefully considered and represents the agreed absolute outside time limit within which the applicable action or right must be exercised.

ARTICLE 24
DURATION OF AGREEMENT

24.1 This Agreement is executed on November 1, 2008 and it shall remain in full force and effect for five (5) years through October 31, 2013 and from year to year thereafter unless either party serves written notice of their desire to amend, modify or terminate this Agreement at least sixty (60) days prior to the anniversary date. The Company and the Union may mutually agree to amend or add to any provision of this Agreement during its term, provided that any such amendment or modification must be in writing executed by the duly authorized representatives of each party and any oral modification or amendment shall have no force or effect.

IN WITNESS WHEREOF MIRANT CALIFORNIA, LLC and IBEW LOCAL 1245 have each caused this agreement to be executed in its name and behalf, by its proper officials thereunto duly authorized the year and day first above written.

MIRANT CALIFORNIA, LLC

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, LOCAL 1245

By: _____
Bill Greaves, Director
Of Operations

By: _____
Tom Dalzell, Business Manager

Date: _____

Date: _____

By: _____
Michael Davis, President

Date: _____

By: _____
Joe Osterlund, Business Representative

Date : _____