



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 07-44-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS DEPARTMENT
MAIL CODE N2Z
P. O. BOX 770000
SAN FRANCISCO, CA 94177
(415) 973-4310

STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700

TOM DALZELL,
BUSINESS MANAGER

September 17, 2007

Mr. Tom Dalzell, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Dalzell:

This revised Letter Agreement cancels and supersedes L/A 05-55 and modifies the provisions of Item 9, Holidays, to allow employees to choose pay or subsequent time off when working during regular work hours on a holiday.

Company has purchased new software, SAP, for its Payroll and Human Resources data and processing needs. The capabilities and limitations of this software created a need for the parties to assess contractual provisions which would be difficult or impossible to administer in SAP. The Premium Standardization Committee was charged with this review and for making recommendations. The Committee met over several months and on October 7, 2005 reached agreement on the following:

1. **Simplify Wage Rate Rules**
Each classification with a unique wage schedule will be given a separate classification code.
2. **In Lieu Meal Payments**
Will be paid and taxed on regular bi-weekly paycheck instead of weekly check from Accounts Payable with taxes withheld from the next paycheck. Employees may designate the gross of these payments go to a separate direct deposit account than their primary direct deposit account. Employees who receive a pay check may request a separate check for the gross of their In-Lieu meals.
3. **Premiums**
Will generally be converted to hourly payment and included with each pay period.
4. **Wages Expressed as Hourly**
Wages will be converted to an hourly rate. The hourly rate will be rounded to the next higher penny when the initial conversion from weekly to hourly takes place and the hourly rate will round to the next higher penny for each General Wage Increase thereafter. This provision will be effective with the January 1, 2006 GWI if ratified prior to that date.
5. **Factoring**
Factoring will be eliminated on 9 and 10 hour schedules. Overtime will not be paid during regularly scheduled work hours unless the employee starts work early and exceeds 12 hours worked during regular hours or is required to work after earning a rest period.
6. **Contractual Departments**
A list/table of department names to be used for administering contractual provisions such as bidding, demotion and lay-off, contracting out reporting, grievance tracking, rehire pool, and wage schedules will be developed. Each employee will be mapped to one such department to facilitate contract administration and avoid problems created by frequent Company reorganizations.

7. **Vacation**

Beginning in July 2006, vacation will be awarded to employees as it is earned based on the allowance schedules outlined in Subsection 111.2(a) (b) (8.2a&b). New employees will not be eligible to take vacation until one year of service.

In January 2006, employees will receive vacation earned in 2005, and in July 2006, employees will receive vacation that was earned between January and July 2006. To provide time for employees to adjust to this change, employees will be allowed to defer up to two times their annual vacation allowance in 2006 and 2007. This will allow employees to have up to three times their annual allowance available for use. In 2008, the maximum deferral will return to one times the annual allowance. Excess vacation will be paid out as it accumulates. Otherwise, the employee would stop accruing vacation until their balance is less than the maximum.

8. **Bonus Vacation**

Service anniversary, sick leave usage based vacation awards, outage incentive vacation awards, and any other vacation that may be negotiated will be grouped and tracked together (but apart from regular vacation) as these vacation days must be taken in the calendar year in which they are granted.

9. **Holidays**

A. Every regular full-time employee will receive 8 hours of holiday time posted to their holiday account in the pay period immediately prior to each of the 10 fixed holidays.

In addition 24 hours of Floating Holiday time will be posted to each regular full or part-time employee's account in January of each year, or upon the attainment of regular status.

B. Below is a table explaining holiday pay treatment. These revised holiday provisions will be effective with the 2007 Veteran's Day Holiday.

| WORKDAY | PAY |
|---|--|
| Employee does not work | Receives holiday pay. |
| Employee works during regular work hours | *Receives overtime for hours worked and holiday pay. |
| Employee works outside of regularly scheduled hours | Receives overtime for hours worked and holiday pay. |
| NON-WORKDAY | |
| Employee does not work | Receives 8 holiday hours in holiday account. |
| Employee works | *Receives overtime for hours worked and holiday pay. |
| | *Employees may complete the Holiday Option Form to have the holiday hours remain in their holiday account for later use, rather than receive holiday pay. See attached form. |

C. ***Holiday Option Form**

1. During the annual December vacation sign-up period (December 1 – 15), employees who desire holiday time off rather than pay, must complete the Holiday Option form and submit it to their Supervisor. This form will be in effect from January 1 through December 31 of the following year.
2. If an employee is not at work during the December vacation sign-up period, the employee may complete the form within ten workdays of their return to work. Newly completed forms will take effect with the first holiday following receipt of the form by the Timekeeper, unless the form is received less than 10 workdays prior to the holiday. In such case, the option would be effective with the next holiday which is more than 10 workdays following receipt of the form.

3. Employees who have completed the Option form and who work on a holiday, shall receive overtime pay for hours worked and the holiday hours will remain in their holiday account to be used as follows: "Such day shall be scheduled in conjunction with the employee's next scheduled vacation under the provisions of Title 111 (8), except that such day may be taken prior to the employee's next scheduled vacation with the approval of the supervisor in charge. In no event shall the additional day be taken prior to the date of the holiday."

D. Employees on 10-hour schedules who presently are not required to supplement their holiday pay with vacation or floating holiday time, in addition to the A. above, will receive 1 hour of holiday time per pay period in keeping with the current holiday practice.

E. Employees on 9-hour schedules will supplement holiday pay with 1 hour of vacation or Floating Holiday time at their option.

F. Employees on 12-hour schedules will still need to designate 6 holidays per year that they will observe.

10. Group Life Insurance

The current employee options are non-standard, i.e., 1/3 or 2/3 times twice annual salary, or 2 times annual. The default is \$10,000. The conversion will assign those that have elected 1/3 to \$50,000; 2/3 to 1.5 times the base annual salary. Those with the default of \$10,000 and those with 2 times the annual coverage will remain unchanged. Employees will have the option of changing their election.

The above will provide the basis for a review of contractual language that may need to be amended to reflect the above agreements. The parties agree to prepare for the 2008 General Negotiations the appropriate contractual amendments.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided below and return one executed copy to Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY


By: 

Stephen A. Rayburn
Director and Chief Negotiator

The Union is in accord with the foregoing and agrees thereto as of the date hereof.

LOCAL UNION NO. 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

September 26, 2007

By: 

Tom Dalzell
Business Manager

Holidays - Employee Option

This form is to be completed during the annual vacation sign-up period of December 1 – 15 each year (or within 10 workdays of return to work.)

By completing and signing this form, I am indicating my preference for overtime pay and time off, in lieu of overtime and holiday pay, when I work on a holiday. I understand that this option will take effect with the New Year's Day holiday (or with the next holiday that is more than 10 workdays after completion) and will remain in effect for the calendar year.

This completed form will be retained by my Supervisor and a copy by my Timekeeper. If I change jobs or locations, this form will be forwarded to the appropriate Supervisor and Timekeeper.

Print Name: _____

Signature _____

Personnel ID Number _____

Classification _____

Department _____

Headquarters _____

Supervisor _____

Date _____