



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 08-24-PGE



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS DEPARTMENT
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STEPHEN 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

August 12, 2008

Mr. Tom Dalzell, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95687

Dear Mr. Dalzell:

The parties recently met regarding the staffing of the consolidated Grid Control Center in Vacaville and the displacement of employees at the current transmission control centers which is expected to occur in a phased approach beginning in September 2009 through December 2010.

The parties have a mutual interest in ensuring a smooth transition to the new Grid Control Center and minimizing the disruption and uncertainty for employees. Given the long lead time necessary for training and the desire to provide employees more certainty over their future, the Company proposes the following, in accordance with Section 206.12 of the Physical Labor Agreement and Letter Agreement 99-72:

Step 1 – 206.1 Notice and Enhanced Options

- A. Impacted employees are those System Operators and Apprentice System Operators located at one of the Transmission Control Centers identified for closure (Fulton, Table Mountain, Round Mountain, Vaca-Dixon, Tesla, Newark, Pittsburg, San Mateo, Diablo Canyon, Metcalf, Moss Landing, Midway, and Los Banos). Impacted employees will be provided with Section 206.1 notification allowing for accelerated bidding and transfer rights in accordance with Section 206.9. Elections for severance will not be affected until the employee is impacted by a 206.2 displacement.
- B. Impacted Apprentice System Operators will be given the option of electing a Vacaville Grid Control Center vacancy or their Title 206 options (to be exercised at the time of facility closure). Impacted System Operators will be provided a list of enhanced options to choose from, shown below. Employees will have 7 calendar days to return their prioritization list and will be advised that their elections will be considered binding. The options will include:
 - System Operator vacancy at the new Vacaville Grid Control Center
 - System Operator vacancies at Distribution Control Centers (listed by location)
 - Severance (Includes regular severance, 50% transitional leave or 100% transitional leave if age 52 or older, and the educational leave)
 - Title 206 Process (closer to the time of their facility's closure)
- C. Company will make assignments from the prioritized lists based on seniority. Employees electing severance will be given the further opportunity and time to indicate which form of severance (regular, 50% transitional, 100% transitional or educational) they prefer. The effective dates of any layoffs, leaves, vacancy placements, or displacement assignments will be determined by the Company.

- D. Employees who elect to forego the enhanced options and choose to go through the Title 206 election process will be provided with their Section 206.2 Notice at a time closer to the closure of the impacted employee's facility. Title 206 assignments will be made in accordance with Title 206 and Letter Agreement 99-72.

Step 2 - Bidding

Once the enhanced process is completed, remaining Vacaville Grid Control Center vacancies may be filled under the provisions of Title 205. Noticed employees will continue to have accelerated bidding and transfer rights in accordance with Section 206.9 based on their current classification and headquarters until they report to their new assignment. During this step Apprentice and System Operators in Distribution and Hydro will have the opportunity to fill these vacancies following the normal bidding process.

Step 3 - Displacements

Employees who are not placed in Steps 1 or 2 will be given their full Title 206 rights. At intervals determined by the Company (e.g. semi-annually), employees whose positions are eliminated during that time period will be given their 206.2 notification. The Company will provide notice of these displacements to any employees who may be impacted. Any Hiring Hall employees in the department will be considered as vacancies for purposes of Title 206.

Workforce Transition Benefits

Letter Agreement 05-66 (06-18) workforce transition benefits will be applicable to all impacted employees and will be triggered by the 206.1 notification. The parties also agree to extend these workforce transition benefits to any Distribution Electric Operations or Hydro Operations employees who are impacted by these displacements.

Commitment Allowance

An employee who voluntarily accepts a position at the new Vacaville Grid Control Center (during either Step 1 or Step 2) will be eligible for a Special Commitment Allowance of \$15,000. This allowance is in addition to the \$5,000 Moving Allowance the employee may be entitled to under Section 206.8 and Letter Agreement LA-05-66. This offer will be made to all employees who accept a Vacaville position during Step 1 or 2 (this includes all Apprentice and System Operators including Transmission, Distribution, and Hydro)

Eligible employees may elect the Commitment Allowance by signing an agreement committing to report to the Vacaville Grid Control Center and remaining there for 18 months. Employees electing this allowance will not have their bids or transfers considered, except to a higher classification at the Vacaville Grid Control Center headquarters, until they report and complete their 18 month commitment. The allowance will be paid within 30 days of the employee reporting and signing a Payback Agreement. The Commitment Allowance will not be available once the Company has announced completion of Steps 1 and 2. This Commitment Allowance does not set precedent for future consolidations. It is intended to address the unique circumstances surrounding this consolidation.

The parties recognize that Apprentice or System Operators (outside of transmission) may not be inclined to voluntarily bid to Vacaville in that they will not know whether they are subject to displacement until any actual displacements begin. Any such employees who are involuntarily displaced into Vacaville may elect a Commitment Allowance of \$7,500 at the time of their 206 assignment. The employee must sign an agreement committing to report to the Vacaville Grid Control Center and remaining there for 18 months with the same conditions as described in this section.

Section 206.8 Moving Allowance

Employees who are eligible for the 206.8 Moving Allowance as a result of reporting to Vacaville will not be required to relocate to be eligible for the allowance. Additionally, employees will receive the allowance as a flat amount rather than as reimbursement for covered expenses.

Apprentice Vacancies

The Company anticipates filling a number of Apprentice System Operators at the yet to be built Grid Control Center. These apprentices will be temporarily headquartered at various locations throughout the system in order to receive training. Temporary headquarter expenses will be paid as provided for in the Physical Labor Agreement. These employees will report to the Grid Control Center as their training facility is closed. Since the Grid Control Center is their regular headquarters, these employees are not considered as impacted employees for purposes of this letter agreement.

Work Schedule

The Company is interested in establishing a 12 Hour Agreement for employees at the Vacaville Control Center and expects to submit a proposal to the Union once the initial staffing is established and prior to employees reporting to the new facility.

Ad Hoc Discussions

The Company and Union will meet in an ad hoc forum to discuss System Operator wages and other non-displacement related issues.

Unanticipated Changes

Should unforeseen circumstances occur to cause the partial or total cancellation of Transmission Control Center consolidation the assignments will be cancelled and the parties will meet to address any impacts to employees as a result of the change. Employees who have not reported to their assignments by July 2011 will have the option to reconsider their commitments. Additionally, there may be situations where the staffing levels at some of the Transmission Control Centers attrite to where operating on a 24/7 basis becomes unsustainable. Any such situations will be addressed based on the existing provisions of the Physical Labor Agreement.

This proposal has been discussed with Assistant Business Manager Ken Ball and Business Representative Bob Dean.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided and return one executed copy of this letter to the 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

August 14, 2008

By: 

Tom Dalzell
Business Manager