



LETTER AGREEMENT NO. 13-78-PGE



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

October 3, 2013

CXL Superseded by LA 15-21

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 letter of agreement cancels and supersedes Letter Agreements 92-39 and 12-10. This letter of agreement will be referenced in Section 101.6 of the Physical Agreement and Section 6.6 of the Clerical Agreement as a supplement to the Union Leave of Absence provisions.

The Company and Union have agreed to allow for up to eight employees to take a Union Leave of Absence lasting up to 120 months at any given time. Any additional type of Union Leave of Absence will continue to be limited to 72 months as provided in Sections 101.6 of the Physical Agreement and 6.6 of the Clerical Agreement.

Health and Welfare Benefits and Time Off Eligibility During Union Leave

During an unpaid Union leave of absence, the employee shall not be eligible to continue Company's health and welfare or time off benefits such as medical, dental, vision, Health Care Flexible Spending Account (FSA), Dependent Care Flexible Spending Account (FSA), EAP, Long Term Disability or Worker's Compensation benefits arising out of an injury occurring during the union leave of absence. Employee will cease earning any vacation or sick leave upon commencement of Union Leave. Exceptions are as follows:

Health Plan Benefits will be continued through the end of the calendar month in which the Union Leave of Absence begins. In the event there is insufficient pay to cover the monthly premium due to the commencement of the unpaid leave, employee will be billed the balance due.

Supplemental Life Insurance – employee's full life insurance coverage will remain in effect during the unpaid union leave of absence. If employee has more than \$10,000 in coverage, the monthly deductions for the optional supplemental coverage will be suspended during the unpaid leave since the employee is on an unpaid status.

Dependent Life (Spouse/Domestic Partner and Child Life) Insurance – If employee has elected any Dependent Life Insurance, the monthly deductions for the Dependent Life insurance coverage will be suspended during the unpaid leave since the employee is on an unpaid status.

Voluntary AD&D Insurance – Company-paid basic AD&D insurance will remain in effect during the unpaid union leave of absence. If employee has elected Voluntary AD&D, the monthly deductions for the Voluntary AD&D coverage will be suspended during the unpaid leave since employee is on an unpaid status.

Company will be responsible for providing a billing statement to the employee for the Supplemental, Dependent life insurance and/or Voluntary AD&D insurance premiums. If the employee fails to remit payment by the given due date and the grace period, the life insurance and/or Voluntary AD&D insurance may be cancelled in accordance with policy's billing procedures. In the event of cancellation, the employee will not be able to re-enroll until returning to active status and any re-enrollment requirements of the plan will apply.

Retirement Eligibility During Union Leave

For retirement and postretirement welfare plans, service credits will continue to accrue for the duration of the union leave of absence. In addition, Letter Agreement 92-39 formalized an existing practice, which facilitated the resignation of employees following a Union Leave of Absence to work for Local 1245. Sections 101.7 and 6.7 of the Physical and Clerical Agreements provide that employees may upon their return from union leave of absence elect to displace another employee. In order to avoid the disruption caused by the temporary return of such an employee to update his/her rate of pay under the final pay pension plan, Letter Agreement 92-39 allowed the employee to return, on paper, for one day before the separation date. Such returns have been accomplished by granting the employee the day off, with permission without pay, or having the employee take a vacation day. This practice will continue for all existing employees who have a final pay pension benefit, except for employees who elect the cash balance pension during the one-time choice period, where pay will be capped at the rate in effect when final pay pension benefit accruals cease.

Cash Balance participants who take a Union Leave of Absence will be awarded annual Pay Credits equal to a percentage of the employee's last active rate of pay for his/her base classification before commencing the Union Leave of Absence, consistent with the method applied during any other unpaid leave of absence under the Cash Balance pension. For part-time employees, no pay credits are earned during the unpaid leave. Accumulated balances will receive quarterly interest credits for the duration of the leave of absence. Employees on a Union Leave of Absence are not eligible to receive a distribution until the employee experiences a separation date.

Vacation Pay Out

Employees on an unpaid union leave of absence may request a pay out of their entire vacation balance at any time during the unpaid union leave of absence. Requests may be made through the local Labor Relations Specialist and must be approved by the employee's department Director.

If you agree, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Very truly yours,

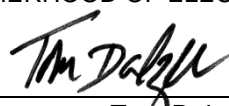
PACIFIC GAS & ELECTRIC COMPANY

By: 
Stephen A. Rayburn
Director and Chief Negotiator

The Union is in agreement.

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

_____, October 25, 2013

By: 
Tom Dalzell
Business Manager