



# LETTER AGREEMENT NO. R1-12-03-PGE



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

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

STEPHEN A. RAYBURN  
DIRECTOR AND CHIEF NEGOTIATOR

TOM DALZELL  
BUSINESS MANAGER

February 15, 2012

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:

Pursuant to Section 2.1 of the IBEW Clerical Agreement, the Company proposes the following guidelines concerning incentive, recognition and reward systems within the Customer Care organization and will supersede LA R1-91-113 for this department. This proposal is to support departmental interest in recognizing employees for their commitment and dedication in working to satisfy our customers and for their contributions to specific programs that align with overarching departmental goals.

#### PURPOSE:

In making this proposal, it is the intent of the Company to set out guidelines under which local recognition/award systems within Customer Care can be designed and implemented to provide local management with a mechanism to recognize outstanding accomplishments by either an individual or group, and to promote or incite employees to work toward a specific goal or objective.

In proposing this agreement, the Company recognizes IBEW Local 1245 as the sole and exclusive bargaining representative for its represented employees. No section of this agreement is intended to challenge that exclusive right to representation. In addition, it is not the intent of this agreement to interfere with mandatory subjects of bargaining, and specifically those subjects that are reserved for general negotiations. Furthermore, this agreement is not intended to detract from such items as general wage increases and performance incentives in future general negotiation sessions.

#### TYPES OF RECOGNITION

No cash awards are to be included. Some examples of awards include: meals, gift certificates/cards, sporting event tickets, clothing, merchandise, and services. In addition to not awarding cash, granting additional paid time off is not permitted.

#### FREQUENCY OF AWARDS

A \$500 average award limit per employee per calendar quarter.

#### ELIGIBILITY

Any program developed under this agreement must provide for the equal opportunity to participate along Department and Headquarters boundaries. In the event that varying classification and subsequent job responsibilities do not align with a specific award program, a like program with equal award value must be implemented across all classifications within the Department/Headquarters. Nothing about this agreement implies all employees should or will receive something, only that all will be eligible under the definition described above.

IMPLEMENTATION

Programs that conform to this agreement are intended to be developed locally and implemented at the discretion of local management. The local Business Representative will be notified of any new program at least fifteen days prior to implementation. In addition, the local Business Representative may request a review of any and all programs at any time.

Any program that falls outside the parameters of this agreement must be negotiated between Company and Union and would require the approval of the Union Business Manager and the Company's Director of Labor Relations.

SAFETY PROGRAMS

In order to establish incentive programs that relate to safety, the system must be structured so as not to discourage the reporting of accidents. Nothing in this section is intended to impact current practices.

CONSEQUENCES OF NON-COMPLIANCE

If this program is found to be out of compliance or fails to meet the agreed-to guidelines, it will be cancelled for a one year period.

This cancellation may be avoided if Company cancels the individual out-of-compliance program within fifteen days following written notification of a violation to the Department Manager or equivalent, by the Union's Business Representative. However, a second notice of a proven out-of-compliance program will result in a one year suspension of all programs within the Department, or other equivalent unit regardless of whether the first violation was corrected within the fifteen days.

PROGRAMS/AREAS SPECIFICALLY EXCLUDED

Programs such as PSEA, Campaign for the Community, time off associated with Christmas Eve and New Year's Eve, in their present form, as well as any other program addressed in a specific agreement will not be subject to this letter agreement.

This proposed agreement has been discussed with Business Representatives Arlene Edwards and Debbie Mazzanti.

Either the Company or Union reserves the right to cancel this agreement within 30 days written notice.

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:  /s/ Stephen A. Rayburn  
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

February 15, 2012

By:  /s/ Tom Dalzell  
Tom Dalzell  
Business Manager

