



# LETTER AGREEMENT NO. R2-98-13-PGE

**IBEW**



PACIFIC GAS AND ELECTRIC COMPANY  
INDUSTRIAL RELATIONS DEPARTMENT  
2850 SHADELANDS DRIVE, SUITE 100  
WALNUT CREEK, CALIFORNIA 94598  
(510) 974-4282

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, AFL-CIO  
LOCAL UNION 1245, I.B.E.W.  
P.O. BOX 4790  
WALNUT CREEK, CALIFORNIA 94596  
(510) 933-6060

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MEL BRADLEY, MANAGER OR  
DAVID J. BERGMAN, CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

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April 21, 1998

Local Union No. 1245  
International Brotherhood of  
Electrical Workers, AFL-CIO  
P.O. Box 4790  
Walnut Creek, CA 94596

Attention: Mr. Jack McNally, Business Manager

Dear Mr. McNally:

The parties have been engaged in Ad Hoc negotiations pursuant to Titles 102 and 400 concerning Company's plan to eliminate petty cash reimbursements for overtime meals and business related personal expenses. The parties agreed to suspend further processing of Business Manager Grievance IR-IBEW-97-07 and to suspend the implementation of the changes to the petty cash process in order to enter into these Ad Hoc negotiations.

Under certain conditions, the Company is contractually obligated to provide or reimburse employees for overtime meals and personal expenses. The Company has historically met this obligation through the use of Procurement Cards (P-Card), or by reimbursing employees through the expense account or petty cash processes. During these negotiations, the Company has outlined its concerns regarding the continued use of petty cash funds to reimburse employees for overtime meals and other personal expenses. These concerns include but are not limited to: the problems associated with safeguarding petty cash funds, how the funds are disbursed, and the fact that many petty cash funds are co-mingled with employees' personal bank accounts. In addition, it is difficult to obtain accurate records of petty cash reimbursements for personal expenses for purposes of CPUC required reporting.

As a result of these concerns, the Company proposes to supersede the language contained in the Meals Clarification and various Corporate Standard Practices pertaining to the use of petty cash reimbursements for overtime meals and other personal expenses for bargaining unit employees. This letter agreement addresses only those issues related to overtime meals and personal expenses and does not alter the parties understanding and positions regarding petty cash funds.

Employees who are contractually entitled to an overtime meal will have the option of paying for overtime meals by 1) using a P-Card to charge the cost of the meal, or 2) if the P-Card is not accepted by the vendor or for any other reason a P-Card is not utilized, paying for the meal out-of-pocket and being reimbursed through the expense account reimbursement process described below. Employee lodging may also be charged to the P-Card, however if paid for by the employee reimbursement will be made through the expense account reimbursement process. Any other personal expenses paid for by the employee will also be reimbursed through the expense account reimbursement process.

In recognizing the Union's concern that employees be reimbursed for overtime meal expenses in a timely manner, the Ad Hoc Committee proposes to allow employees the option of submitting an expense account reimbursement form for overtime meals to Accounts Payable on a weekly or more frequent basis via fax utilizing the following process:

- 1) The employee completes the Report of Personal Business Expenses form as specified in CSP 10 and submits the form to their supervisor for approval. Employees will be encouraged to consolidate as many overtime meal reimbursements as possible on one expense account reimbursement form. However, consolidation of several overtime meal reimbursement receipts is not required.
- 2) Following supervisory approval, the expense account reimbursement form complete with appropriate supporting documentation, is faxed to Accounts Payable. Local management is to make every reasonable effort to approve the correctly completed expense account reimbursement form and fax it to Accounts Payable the same day it is submitted by the employee. Company will ensure that every field office is equipped with an appropriate fax machine.
- 3) Accounts Payable will make every effort to process the expense account reimbursement form within two days of receipt. This time limit may be extended in the event the expense account reimbursement form is incomplete and/or appropriate supporting documentation is incomplete or missing.
- 4) The next business day after Accounts Payable has processed the expense account form, a check will be printed and put in Company mail.

Reimbursement for overtime meals not made through the process outlined above, as well as other personal expenses paid by the employee, will be reimbursed through the normal expense account reimbursement process as outlined in CSP 10 as revised by the Company from time to time. Utilizing the expedited fax method or the normal expense account reimbursement process for overtime meal reimbursements is at the option of the employee.

At the employee's option, expense account reimbursement payments may be made through either 1) check or 2) Direct Deposit, if available. The Company reserves the right to cancel or limit participation in the Direct Deposit program. An employee who participates in the Direct Deposit Program for his/her regular payroll check may, at his/her option, designate a different account number for direct deposit of reimbursements of personal expenses.

During these Ad Hoc Negotiations, Company also proposed implementation of a Corporate Credit Card Program which would be used by all employees to charge appropriate meals and personal expenses. The Union expressed several major concerns regarding the Corporate Credit Card Program. In part, these concerns were related to the accounting IOU process that would be used, determination of "appropriate" utilization of the Corporate Credit Card, and that some employees would have to carry both a Corporate Credit Card and a P-Card.

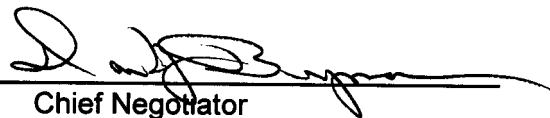
In recognition of the Union's concerns over the proposed Corporate Credit Card program, the Company has elected not to pursue its implementation for bargaining unit employees at this time. As a result, bargaining unit employees will continue to use the P-Card as outlined in Letter Agreement 95-51.

The issues raised in Business Manager Grievance IR-IBEW-97-07 have been addressed by this Letter Agreement and accordingly the grievance is closed and settled on the basis of the foregoing.

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

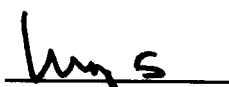
Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By:   
Chief Negotiator

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

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, AFL-CIO

, 1998

By:   
Business Manager