



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 08-35-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS DEPARTMENT
MAIL CODE N2Z
P. O. BOX 770000
SAN FRANCISCO, CALIFORNIA 94177
(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

October 31, 2008

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:

In Letter Agreement 06-19, the parties extended the Clerical Agreement two years through December 31, 2010 (extended from the previous December 31, 2008 expiration date). The parties agreed that the general wage increase (GWI) negotiated for Physical Bargaining Unit employees for 2009 and 2010 would also apply to the Clerical Bargaining Unit. The parties have concluded negotiations for the Physical Bargaining Unit and pending ratification of the Table Settlement by the Physical Bargaining Unit, have agreed to the following general wage increase which would apply to employees covered by the Clerical Agreement.

A general wage increase, using normal rounding, of three and three-quarter percent (3.75%) effective January 1, 2009 and three and three-quarter percent (3.75%) effective January 1, 2010.

In addition, Company proposes that the items identified in this letter agreement, which are also included in the Physical Agreement Table Settlement, apply to the Clerical Agreement upon execution of this letter agreement.

Re-Opener – Benefits

The Benefits Agreement will have a three-year term of January 1, 2009 through December 31, 2011. The parties agreed to a re-opener to start as soon as possible on the following subjects with the objective of implementing agreed-to changes on January 1, 2010:

- Retiree medical
- Active employee medical, dental and vision benefits
- Life Insurance
- Other mutually agreed to benefits

Job Bidding and Transfer System

To streamline the job bidding and transfer system the parties agreed to changes that include, but are not limited to:

- All bids/transfers received before the job requisition control date will be considered, thereby eliminating the eight-calendar day requirement for bids/transfers to be on file prior to being considered.
- Using two lists to fill vacancies.
- Bids will drop immediately upon report date to a new position.
- All bids and transfers to be submitted electronically through the Company's web site.
- Employee self-service provided by making testing and training information available on the web site.
- Prebid and transfer directory will be provided exclusively online.

Meals

In-lieu meals have been increased to \$15 where they were formerly \$8 and to \$20 where formerly \$15 effective January 1, 2009. The normal breakfast, lunch and dinner times will be included in the Agreement. The Union and Company recognize that there is an obligation on the part of each party for the continuous rendition and availability of services to the public and have added language regarding the exercise of good judgment to obtain or delay the initial meal upon call out for an emergency assignment to restore service to customers.

Labor Management Meetings

The Company and Union agree on the value of conducting regular Labor-Management Meetings to address current issues and to reduce the need to file grievances. Quarterly Labor-Management Meetings are currently occurring in some departments. Energy Delivery has meetings occurring in many areas and will initiate meetings in the remaining areas, resulting in quarterly meetings in all seven areas. The parties encourage regular Labor-Management meetings in other departments.

Grievance Procedure

The Parties agree to update the language in Section 9.4 of the Clerical Agreement to reflect the agreement reached in 1999 General Negotiations to eliminate Step Four – Region or General Office Department Joint Grievance Committee effective January 1, 2009. Grievances settled at the Pre-Review Committee or Review Committee, Step 4, since January 1, 2000 are final and binding on the Company, Union and the grievant and are precedent setting.

Grievance Timelines

The Company and Union agree on the importance of meeting grievance timelines as outlined in the Agreement. The parties acknowledged that they were working towards this goal as evidenced by the joint Grievance Resolution Workshops provided in 2008 to first-line supervisors and shop stewards. The parties will continue to work together to meet grievance timelines.

Retirement Savings Plan (RSP)

A new platform of investment options will be made available to employees in 2009. A robust communication campaign will be executed to ensure participant understanding of these plan changes.

Excess Vacation Payout

Guidelines for excess vacation payout will change effective January 1, 2009. Excess vacation will no longer be paid out each pay period beginning January 1, 2009. Employees will be able to accrue more than twice their annual vacation and will receive payment for any vacation in excess of twice their annual allotment as of December 31 with payment made by February. Employees are encouraged to regularly take vacation.

Pension Adjustment

Certain retirees will receive a pension adjustment as follows:

Retired before 1990	5.0%
Retired between 1/1/90 and 12/31/97	3.0%

This pension increase is contingent on the approval of the Employee Benefits Committee of Pacific Gas & Electric Company and the Board of Directors of Pacific Gas & Electric Company and will be effective February 1, 2009.

Retirement Plan – Basic Pension Benefit Formula

The parties agreed to eliminate the pension bands and use a pension formula to calculate pension amounts. The replacement formula is intended to provide the same pension benefit.

Holidays

Subsection 14.7 provides that employees who work on a holiday will be paid overtime and holiday pay. However, those employees who want to receive only overtime and have the holiday hours remain in their holiday bank to take at a later time may do so by completing the Holiday Option Form and submitting it to their supervisor during the December vacation sign-up period. This option is for the entire calendar year.

Educational Assistance

The Educational Assistance reimbursement amount provided for in Exhibit I will be increased to \$5,250 from \$1,200.

Rounding – Wages

The parties agreed to the calculation of the general wage increase and new wage rates using an automated method which will use normal rounding.

Attachments

Attached are amended Contract sections as follows:

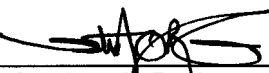
- A. Clerical Agreement and its Exhibits, Supplements and Clarifications
- B. Benefit Agreement

The Company proposes that upon ratification of the Physical Agreement Table Settlement, the GWI and other contractual items identified apply to employees covered by the Clerical Agreement. If the Physical Agreement Table Settlement is not ratified, this letter agreement will be null and void.

Very truly yours,

PACIFIC GAS AND 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

April 27

2008

By: _____


Tom Dalzell
Business Manager

ATTACHMENT A

CLERICAL AGREEMENT

TITLE 1. PREAMBLE

1.2 NON-DISCRIMINATION

It is the policy of Company and Union not to discriminate, harass or allow the harassment of an employee or applicant for employment on the basis of race, color, religion, age **(40 and over)**, sex, national origin, ancestry, physical or mental disability, medical condition, veteran status, marital status, pregnancy, sexual orientation, gender identity, **registered domestic partner status**, or a request for family medical leave, **any other category or status protected by law**, or any other non-job related factor. (Amended **1-1-09** 6-4-03)

TITLE 6. LEAVE OF ABSENCE

6.1 ELIGIBILITY

"Leave of absence" without pay shall be granted to regular employees, under the conditions set forth in this Title for urgent or substantial personal reasons, provided that adequate arrangements can be made to take care of the employee's duties without undue interference, or if required by law, undue hardship, with the normal routine of work. A "leave" will not be granted if the purpose for which it is requested may lead to the employee's resignation. For the purpose of this Agreement the terms "leave of absence" and "leave" signify absence without pay for periods in excess of ten consecutive workdays. In the computation of the length of a "leave of absence" there shall not be included any time the employee is absent with pay. Absences without pay for ten consecutive workdays or less shall also be authorized under these provisions.

In addition to the provisions of this Title, it is the intent of the parties to include leave benefits as mandated by State and Federal law, including both the California Family Rights Act of 1991 and the Federal Family and Medical Leave Act of 1993. (Amended 1-1-09 4-1-94)

6.2 PERIODS OF LEAVE

(a) The Company may grant a "leave of absence" without pay to a regular employee for a period not in excess of six consecutive months. It may grant an additional "leave of absence" without pay to such employees if personal circumstances and service to the Company warrant the granting thereof or as otherwise required by applicable law. Except as provided in Sections 6.6 and 6.8, a "leave of absence" will not be granted which, together with the last "leave" or "leaves" granted, will exceed twelve consecutive months. (Amended 1-1-09 4-1-94)

6.6 UNION LEAVE OF ABSENCE

Subject to the provisions of Section 6.1 Company shall at request of Union grant a "leave of absence" without pay to any employee for the purpose of engaging in Union business. Such "leave" shall be for a period or periods not to exceed a total of ~~72~~ 36 consecutive months. An employee who has returned to work for Company following an absence on "leave" for Union business in excess of six months shall not be granted another such "leave" until such employee has worked for a period equivalent to the time of the last continuous absence on "leave" for Union business. (Amended 1-1-09 4-1-94)

6.8 MILITARY LEAVE OF ABSENCE

An employee who leaves employment with Company to enter the military service or other service where reemployment rights are protected by law will be granted a "leave of absence" under the provisions of Sections 6.1 to 6.5, inclusive. Upon qualifying for reemployment under any such law, and being reemployed the employee will be granted a further retroactive "leave of absence" to cover the balance of the absence. (Amended 1-1-91)

Eligible employees who engage in military service or who are eligible family members of military personnel are entitled to time off consistent with federal and state law. (Added 1-1-09)

6.9 FUNERAL LEAVE

(a) If at all possible, a regular employee will be granted the actual time off with pay necessary to attend the funeral of a member of the immediate family, including the time the body may lie in state and the day of the funeral, and the time necessary to travel to and from the location of the funeral, but not to exceed three workdays. Unused vacation or floating holidays may be granted to extend an employee's funeral leave beyond the three days provided for above or personal time off without pay for the time needed will be granted. The immediate family shall be limited to: an employee's spouse or employee's registered domestic partner, parent, grandparent, grandparent-in-law or grandparent of employee's registered domestic partner, parent-in-law or parent of employee's registered domestic partner, child or child of employee's registered domestic partner, grandchild, son-in-law, daughter-in-law, stepchild, brothers, sisters, half-brothers and half-sisters, step-brothers, step-sisters, foster parents, step-parents, aunts, uncles or an individual who was a member of the employee's immediate household at the time of death. (Amended 1-1-09 4-1-94)

TITLE 7. SICK LEAVE

7.1 QUALIFICATION AND RATE OF COMPENSATION

After completing one year of Service and for each year of Service thereafter, a regular employee shall be allowed sick leave with pay for a total of 80 hours per calendar year. A regular part-time or intermittent employee shall be allowed sick leave with pay for such portion of 80 hours per calendar year as the ratio of straight-time hours worked in a year to 2,080 hours. **Current sick leave will not be credited unless the employee first performs services in the new year.** (Amended ~~1-1-09~~ 1-1-94)

7.5 ORDER OF USE

~~Current sick leave shall not be applied until cumulative sick leave has been exhausted. Cumulative sick leave shall be applied in the order in which it accumulated. (Amended 1-1-94)~~ **(Deleted 1-1-09)**

7.16 FAMILY SICK LEAVE (~~Amended 1-1-09~~ Added 1-1-00)

(a) In any calendar year, a regular full or part time employee shall be permitted to use the employee's current available sick leave benefits, **up to 40 hours in the calendar year** in an amount equal to the sick leave benefits that the employee would accrue for six months at his or her annual rate of entitlement, to attend to an illness of a child, parent, or spouse of the employee. **A regular part-time employee may take up to one-half of their annual current sick leave hours allotment to attend to an illness of a child, parent or spouse of the employee.**

- (b) Language Unchanged.
- (c) Language Unchanged.
 - (1) Language Unchanged.
 - (2) Language Unchanged.

TITLE 8. VACATIONS

8.1 DEFINITIONS

(a) **Eligibility:** The provisions of this Title apply only to regular employees.

(b) **A Regular Employee** is an employee who has fulfilled the applicable requirements of Section 17.5 of this Agreement. (Amended 1-1-91)

(c) **Earned Annual Vacation Allowance** is the number of paid vacation hours days which an employee has earned in the ~~previous~~ calendar year. The number of paid vacation hours days will be determined by the straight-time hours days worked in the preceding calendar year and years of employment. An employee may not have more vacation hours than twice their annual accrual rate in their vacation account as of December 31. Excess vacation hours will be paid annually by the end of February beginning in February 2010, based on excess vacation as of December 31 of the prior year and will be paid at the current rate of pay. (Amended 1-1-09)

8.2 VACATION ALLOWANCE

(a) Employees in their first year of Service, accrue vacation on paid straight time hours at the rate of 80 hours per year. A regular employee, who completes his/her first year of Service, shall be entitled to take vacation with pay accrued in accordance with the following table in Subsection 8.2(b). :

Employment date:

From	to inclusive	Days of Vacation
January 1	February 3	10
February 4	March 9	9
March 10	April 11	8
April 12	May 14	7
May 15	June 16	6
June 17	July 19	5
July 20	August 21	4
August 22	September 23	3
September 24	October 26	2
October 27	November 28	1
November 29	December 31	0

(Amended 1-1-09 1-1-91)

(b) In the subsequent calendar years a regular employee shall be entitled to vacation with pay in accordance with the following table:

Subsequent Calendar Years Following Date of Employment	Workdays	Hours With Pay
2 0 - 5	40	80
6 - 15	45	120
16 - 21	20	160
22 - 29	25	200
30 and greater	30	240

(Amended 1-1-09 1-1-91)

8.5 FORFEITURE OF VACATION

(a) An employee who is absent for 240 cumulative hours ~~22 consecutive workdays~~ or more in any calendar year by reason of leave of absence or layoff without pay for any reason, or for 880 hours ~~110 workdays~~ or more in any calendar year by reason of industrial disability, shall cease accruing ~~in the following calendar year forfeit for each 22 workdays of such absence 1/12th of the number of days of vacation~~ until the employee returns to work, to which the employee is entitled, to be computed to the nearest full day. An employee may, at his/her option, take the full vacation to which the employee would be otherwise entitled, in which event the employee shall receive no vacation pay for the number of hours days of vacation forfeited as herein determined. (Amended 1-1-09 1-1-91)

(b) If any absence is for less than 240 cumulative hours ~~22 consecutive workdays~~ in duration because of leave of absence, or layoff without pay for any reason, or is for less than 880 hours ~~110 workdays~~ in duration because of industrial disability, an employee shall be entitled to a full vacation as provided for in Section 8.2. (Amended 1-1-09 1-1-91)

(c) ~~Any employee who is affected under this Section shall be notified in writing. (Added 1-1-84)~~
~~(Deleted 1-1-09)~~

(d) The provisions of this Section do not apply to part-time employees.

8.6 VACATION ALLOWANCE WHEN LAID OFF FOR LACK OF WORK

An employee who has qualified for a vacation, and who is laid off for lack of work, shall be paid a vacation allowance under the provisions of Section 8.7. Thereafter if the employee returns to work and Service is not deemed to be broken under the provisions of Title 17, vacation shall be computed on the basis of Subsection 8.2(b). ~~allowance for the next calendar year shall be computed on the basis of 1/10th of the allowance provided for in Section 8.2 for each 22 workdays remaining in the calendar year of the employee's return to employment. (Amended 1-1-09 1-1-91)~~

8.7 TERMINATION OF EMPLOYMENT

(a) Any employee who terminates Service with the Company for any reason shall be paid for all accrued vacation at the employee's most current rate of pay. ~~a vacation allowance of 1/12th of his/her annual vacation for each 22 workdays worked beyond January 1 of the year in which he/she leaves the Company's service, plus any unused vacation earned in the calendar year(s) preceding severance, provided the employee(s):~~

~~(1) was first employed before December 31, 1969, and retired from the Company's service under the provisions of Company's Retirement Plan, or~~

~~(2) was first employed after December 31, 1969, or~~

~~(3) vacation entitlement as of December 31, 1970, was calculated on the basis of the then existing provisions of Section 8.17 of this Agreement.~~

(Entire Subsection Amended 1-1-09 1-1-91)

(b) Any employee, other than an employee described in Subsection (a) above, whose Service with Company terminates shall, upon such termination, be paid only a vacation allowance equivalent to the unused vacation earned in the calendar year(s) preceding such termination. (Deleted 1-1-09)

8.11 DEFERRED VACATION

(a) An employee may defer vacation in one year and add it to his/her vacation in the next following year, provided that the Company gives its approval thereto prior to December 1 of any year. In no event shall an employee defer vacation longer than one year, or be permitted to take more than a total of two vacation allowance years in any one vacation year, or take a vacation in advance of the year in which it is due. An employee may defer vacation in consecutive years provided that in no event shall the amount of vacation deferred exceed more than one year's vacation allowance. (Amended 1-1-91) (Deleted 1-1-09)

TITLE 9. GRIEVANCE PROCEDURE

9.3 TIME LIMITS

(a) Filing

It is the intent of Company, Union and the employees that timely filed grievances shall be settled promptly. (i) A local grievance is timely filed when submitted by the Union Business Representative or his/her alternate (hereinafter either is referred to as "Business Representative") in writing on the form adopted for such purpose to the Director, designated electronic mailbox in the Labor Relations Department HR Service Center, 245 Market Street, San Francisco or alternatively, to a "Sr. Labor Specialist" his/her alternate (hereinafter either is referred to as "Human Resources Advisor"); or (ii) a Business Manager grievance is timely filed when submitted by Union's Business Manager to Company's Labor Industrial Relations Director (iii) within the following time periods: (Amended 1-1-09 ~~6-1-03~~)

- (1) Language Unchanged.
- (2) Language Unchanged.
- (3) Language Unchanged.

9.4 FINALITY

The resolution of a timely grievance at any of the steps provided herein shall be final and binding on the Company, Union and the grievant. A resolution at a step below Step ~~Four~~ Five, while final and binding, is without prejudice to the position of either party, unless mutually agreed to otherwise. (Amended 1-1-09)

- (a) Language Unchanged.
- (b) Language Unchanged.
- (c) Language Unchanged.

9.6 STEPS

STEP ONE SHOP STEWARDS

Language Unchanged.

STEP TWO LOCAL INVESTIGATING COMMITTEE

Language Unchanged.

STEP THREE FACT FINDING COMMITTEE

Language Unchanged.

STEP FOUR (Title Amended 1-1-00) REVIEW COMMITTEE

The Review Committee shall consist of four representatives designated by Company's Director of Labor Industrial Relations, one of whom shall serve as Chairman of the Committee, and four representatives designated by the Union, one of whom shall serve as Secretary of the Committee. Company will not assume payment of any expense or lost time incurred by Union members of the Review Committee. (Amended 1-1-09 ~~6-1-03~~)

The Chairman of the Committee shall maintain an agenda of the current cases referred to the Committee. So long as there are cases pending on the agenda, the Committee shall meet at least once each calendar month. These monthly meetings shall be scheduled for the fourth Thursday of each month unless the Chairman and Secretary agree to meet more often.

A. PRE-REVIEW COMMITTEE PROCEDURE

After the Labor Industrial Relations Department receives a Business Manager's Grievance or the file from the Local Investigating Committee, or Fact Finding Committee as provided for in the foregoing, four copies shall be submitted to the Union's Business Office. Thereafter, and prior to docketing, the Chairman and the Secretary of the Review Committee shall meet at a mutually agreeable time and place for the following purposes: (Amended 1-1-09 ~~4-1-00~~)

B. REVIEW COMMITTEE PROCEDURE

After the Pre-Review Committee meeting, referrals not disposed of shall automatically be added to the Review Committee Agenda.

- (i) Language Unchanged.
- (ii) Language Unchanged.
- (iii) Language Unchanged.
- (iv) Language Unchanged.
 - (1) Language Unchanged.
 - (2) Language Unchanged.
 - (3) Language Unchanged.

(4) Close the Review Committee file and remove it from its Agenda by notifying the Company's Director of Labor Industrial Relations and the Union's Business Manager that the case is "suspended." Following such notice, the Union's Business Manager and Company's Manager of Labor Industrial Relations shall, within 15 calendar days, meet for the purpose of proposing an interim consultative disposition of the issues involved or, at their option, refer the case to an Ad Hoc Negotiating Committee as provided for pursuant to the provisions of Title 24. (Amended 1-1-09 ~~6-1-03~~)

TITLE 14. HOLIDAYS

Below is a table explaining holiday pay treatment applying to Sections 14.6 through 14.8.

<u>WORKDAY</u>	<u>PAY</u>
<u>Employee does not work</u>	<u>Receives holiday pay.</u>
<u>Employee works during regular work hours</u>	<u>*Receives overtime for hours worked and holiday pay.</u>
<u>Employee works outside of regularly scheduled hours</u>	<u>Receives overtime for hours worked and holiday pay.</u>
<u>NON-WORKDAY</u>	
<u>Employee does not work</u>	<u>Receives holiday hours in holiday account.</u>
<u>Employee works</u>	<u>*Receives overtime for hours worked and holiday pay.</u>
	<u>*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.</u> <u>See L/A 07-44</u>

(Added 1-1-09)

14.6 HOLIDAY ON EMPLOYEE'S NON-WORKDAY

If a holiday falls on a regular employee's non-workday, such employee shall be entitled to have one additional workday off with pay. Such day shall be scheduled in conjunction with the employee's next scheduled vacation under the provisions of Title 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. ~~By agreement between the employee and the Company, the employee may elect to take one day's pay at the straight time rate for each holiday that falls on his/her non-workday. Such election shall be exercised within ten workdays after the holiday falls on an employee's non-workday.~~ The provisions of this Section shall not apply to part-time employees. (Amended 1-1-09 ~~1-1-04~~)

14.7 WORK ON HOLIDAYS

(a) Notwithstanding Section 14.1, regular employees may be required to work on holidays which fall on their workdays, in which event any such employee shall, in addition to the employee's holiday pay, be paid at one and one-half times the employee's straight rate of pay for all time worked on such days. ~~These regular employees listed in Section 10.6 and Exhibit G may, by agreement between the employee and the Company, take an additional workday off with pay in lieu of the holiday pay which will be scheduled in accordance with Section 14.6.~~ If Company determines that the services of an employee who is regularly scheduled to work on holidays are not required on a holiday, such employee shall take the holiday off with pay. (Amended 1-1-09 ~~1-1-88~~)

14.14 ERROR

If an employee is misinformed as to his/her holiday entitlement, such employee will not be required to reimburse the Company for any excess hours ~~day(s)~~ taken if such employee pointed out the error to his/her supervisor in writing. (Amended 1-1-09 ~~1-1-04~~)

In those cases where an employee has not pointed out the error to his/her supervisor in writing beforehand, the employee may elect to (a) reimburse the Company for the wages paid for the excess hours ~~day(s)~~, or (b) have such excess hours ~~day(s)~~ be deducted from his/her current vacation entitlement, if any, or (c) have such excess day(s) be deducted from his/her next year's holiday hours, if any. ~~entitlement and if none, vacation entitlement.~~ (Amended 1-1-09 ~~Added 1-1-04~~)

**GENERAL PROVISIONS FOR EMPLOYEES
ATTENDING COMPANY TRAINING CLASSES**

The provisions of Sections 10.4 and 10.8 shall not apply to an employee who is temporarily assigned to attend training classes at other than the employee's regular headquarters. In such assignments, the following provisions of Sections 15.4 through 15.9 shall apply: (Amended 1-1-91)

15.4 DAILY TRAVEL

When arrangements are made for an employee to travel each day between the employee's living quarters and the training location, he/she shall be given an allowance for the time involved which is in excess of the time normally taken in traveling between his/her living quarters and regular headquarters and such compensation shall be paid at the employee's regular straight rate of pay **time will be considered as time worked and paid at the appropriate rate of pay.** Transportation between living quarters and the training location shall be in accordance with the provisions of Section 15.6. (~~Amended 1-1-09~~ Added 4-1-94)

TITLE 16. MEALS

16.1 INTENT

The provisions of this Title shall be interpreted and applied in a practical manner which shall conform to the intention of the parties in negotiating with respect to meals, namely, that a comparable substitute shall be provided when employees are prevented from observing their usual and average meal practices or are prevented from eating a meal at approximately the usual time therefore.

Average and usual meal practices for day employees are defined as:

Breakfast: ½ hour to 1 hour prior to regular work hours.

Lunch: non-workday lunch is same as workday lunch time period.

Dinner: Between 6:00 p.m. and 7:00 p.m.

As stated in Section 3.1 of this Agreement, Company is engaged in rendering public utility services to the public, and Union and Company recognize that there is an obligation on each party for the continuous rendition and availability of such services. Therefore, employees will be expected to exercise good judgment as to whether or not to obtain or delay the initial meal when called out for an emergency assignment to restore service to customers during an average and usual meal time. (Added 1-1-09)

16.2 MEALS - REIMBURSEMENT AND TIME TAKEN

(a) Company shall pay the cost of any meal which it is required to provide under this Title, and shall consider as hours worked the time necessarily taken to consume such meal, except, however, that when a meal is taken at Company expense following dismissal from work the time allowance therefor shall be one-half hour. If an employee who is entitled to a meal under the provisions of this Title prior to work, during or upon dismissal from work does not accept such meal the employee shall nevertheless be entitled to such time allowance of one-half hour for each meal missed and meal reimbursement as provided in (b) below. The foregoing shall not apply to an employee's regular lunch period. (Amended 1-1-91)

(b) At the employee's option, Company shall pay an allowance for any meal which it is required to provide in accordance with the following schedule:

1. Prior to reporting to work:

(i)	Meal nearest regular starting time	\$ <u>15.00</u> 8:00
(ii)	Meal nearest midpoint of regular hours	\$ <u>15.00</u> 8:00
(iii)	Meal nearest regular quitting time	\$ <u>20.00</u> 15:00
2.	Meal following dismissal from work	\$ <u>20.00</u> 15:00
3.	Meal missed during a work period	\$ <u>20.00</u> 15:00

The allowances referred to above may will be paid and taxed on regular bi-weekly paycheck pursuant to Sections 204.1 and 304.3. Employees may designate the gross of these payments 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. by separate check and shall be issued on a weekly basis. (Amended 1-1-09 1-1-91)

(c) "Regular hours, starting time, lunch period and quitting time" on a non-workday are the same as those of a workday. (Added 1-1-84)

TITLE 17. STATUS

17.2 COMPANY

As used in this Title, the term "Company" shall include:

Pacific Gas and Electric Company
Standard Pacific Gas Line, Inc.
Pacific Gas Transmission Company
Alberta and Southern Gas Company
Alberta Natural Gas Company
Pacific Service Employees Association
Alaska California LNG Company
Calaska Energy Company
Eureka Energy Company
Gas Lines, Inc.
Natural Gas Corporation
Pacific Gas Marine Company
Pacific Gas Terminal Company
Pacific Transmission Supply Company
PG&E Corporation

(Amended 1-1-09)

17.6 PART-TIME EMPLOYMENT

(a) Language Unchanged.

(b) A part-time employee who attains regular status or a regular full-time employee who accepts part-time status on or after January 1, 1991 shall be eligible to receive the following benefits:

(1) Group Life Insurance and Long-Term Disability coverage, and Retirement Plan and Savings Fund Plan benefits as provided in the Benefit Agreement.

(2) Medical, Dental and Vision plan coverage as provided in the Medical, Dental and Vision Benefit Agreement.

(3) Vacation allowance as provided in Title 8, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.

(4) Sick leave as provided in Title 7, but prorated based on the ratio of straight-time hours worked in a year to 2,080 hours. Sick leave may only be taken on those days or for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury.

(5) Paid holidays **hours prorated based on ratio of straight-time hours scheduled to work in a year to 2,080 hours.** ~~when regularly scheduled to work on that day. Such holiday payment shall be in proportion to the amount of time which the employee would have worked on that day if it were not a holiday.~~
(Amended 1-1-09 Added 1-1-94)

TITLE 18. JOB BIDDING, PROMOTION AND TRANSFER

18.4 PREBID PROCEDURE

Any regular employee of Company may submit a prebid on any existing job classification and headquarters for which the employee desires consideration in accordance with the following procedure provided the employee does not exceed a combined maximum number of 200 prebids and transfers. This maximum will not apply to employees subject to the provisions of Title 19. (Amended 6-1-03)

(a) **Eligibility:** To be valid, an employee's prebid must be entitled to preferential consideration under the provisions of Section 18.8. A list of existing classifications by headquarters with appropriate prebid numbers is available online from the Company's Human Resources web site, in each headquarters where employees in the bargaining unit regularly report for work. (Amended 1-1-09 1-1-88)

(b) **Forms:** Prebids must be submitted electronically through PG&E@Work For Me (from the Company's intranet or the Internet), on the form provided by Company or via Bid Express, the telephone input system. (Amended 1-1-09)

(c) **Mail:** ~~Prebids may be submitted to Company by either United States or Company mail.~~
(Deleted 1-1-09)

(d) **Timeliness:** Company shall not consider any prebid which was received by Company on or after the control date which is less than eight calendar days prior to the date the fully authorized job vacancy report was received and date stamped by the Centralized Job Bidding Team (CJBT) Human Resources Department to fill a job vacancy in the classification and headquarters on which the prebid was made. Only those prebids valid prior to the control date as of the date stamped on the job vacancy report will be considered to fill such vacancy. Subsequent prebids may be considered only after that list has been exhausted. After two lists have been exhausted, At that point where there are no qualified prebids on file, Company may fill the job at its discretion under the provisions of Section 18.12. (Amended 1-1-09 6-1-03)

(e) **Date of Receipt:** The date of receipt will be the date received by the CJBT, of the U.S. postmark if legible. If such postmark is illegible or if the prebid is submitted by Company mail, the date of receipt will be the Human Resources date stamp. (Amended 1-1-09 6-1-03)

(f) **Acknowledgement:** Company will acknowledge receipt of all prebids within 15 calendar days from the date of receipt and without rejecting the prebid notify the employee in writing (via e-mail for employees who submitted prebids via e-mail) of any known reason which might preclude the employee's filling the classification on which the employee has submitted a prebid, including information regarding testing programs which must be completed. Information on whether or not an employee has completed such programs is available electronically from the About Me tab in PG&E@Work For Me (from the Company's intranet or the Internet), from the employee's Human Resources Department. (Amended 1-1-09 6-1-03)

(g) **Cancellation of Prebids:** Prebids are valid for a period of one year from the date of receipt or until such time as the employee changes classification and/or headquarters, or until such time as the employee rejects an appointment to the classification and headquarters (and shift, if appropriate) on which the prebid was made. Company will notify an employee of the cancellation of employee's prebids as indicated below. Cancellation shall be effective as follows:

(1) at the expiration of one year from the date of the prebid and after 15 calendar days' advance notice from Company,

(2) immediately upon the employee's declining an appointment to the classification and headquarters on which the prebid was submitted, (Amended 1-1-09 1-1-88)

(3) immediately 30 calendar days after any employee's change of headquarters or classification which does not affect his or her status as a prebidder, and after 15 calendar days' advance notice from Company, (Amended 1-1-09)

(4) ~~Deleted 1-1-09 immediately upon an employee's change of classification and/or headquarters which affects his or her status as a prebidder,~~

(5) immediately upon receipt of authorization from an employee to cancel a prebid, or

(6) upon receipt of authorization from the CJBT local Human Resources Department to cancel prebids because a job is deleted from the directory or an employee improperly designates rights, as provided in Section 19.9, with notification to the employee by the CJBT local Human Resources Department of such cancellation. In the latter cases, the employee's prebid will be given the appropriate 18.8 consideration for 15 calendar days from the time the CJBT local Human Resources Department notifies employee of such cancellation. (Amended 1-1-09 1-1-88)

(h) **New Jobs at a Headquarters:** The Company shall post, on all bulletin boards throughout the System, a notice describing all new classifications at existing headquarters or any job at a new headquarters in the Company, on the first or fifteenth of any month, as soon as such jobs are authorized to be filled. Such notice shall remain posted until the next Directory listing the new classification is posted on the bulletin board, but not

less than 15 days. If no prebids are received 18 days after the date shown on the notice, or **after two lists have been exhausted** at the point there are no qualified bids on file, Company will have 60 days to fill the vacancy under the provisions of Section 18.12. (Amended **1-1-09** 4-4-88)

18.5 FILLING BEGINNER'S CLASSIFICATION

Whenever Company intends to fill a beginner's classification, Company shall fill it in the following sequence:

- (a) Language Unchanged.
- (b) Language Unchanged.
- (c) Language Unchanged.
 - (1) Language Unchanged.
 - (2) Language Unchanged.

The provisions of this Subsection shall be applicable to a beginner's classification in a Line of Progression at a headquarters where a transfer application for such vacancy is on file and the number of unrestricted appointments under provisions of Subsection 18.5(b) exceeds transfers.

All transfer requests must be submitted **electronically through PG&E@Work For Me (from the Company's intranet or the Internet)**, by United States or Company mail on a form provided by Company. ~~Transfer requests may be submitted via Bid Express, the telephone input system. The date of receipt shall be the postmark date if delivered by U.S. mail, or Human Resources date stamp if delivered by Company mail or if the U.S. postmark is illegible. In no event shall the Company consider any transfer application which was received by the Centralized Job Bidding Team (CJBT) on or after Company less than eight calendar days prior to the established control date. The control date is first established on the date the fully authorized personnel requisition is received and date stamped by the CJBT Human Resources Department to fill a job vacancy in the classification and headquarters on which the transfer application was made. If the transfer listing is exhausted without a successful candidate, a new control date will be established. This new control date will be the date of the decline or bypass of the last transfer applicant. Transfers which were not timely under the original control date but were received eight days prior to the new control date will then be given consideration. If the vacancy cannot then be filled by transfer, it may be filled by unrestricted appointment - no transfers on file.~~ (Amended **1-1-09** 6-4-03)

(d) Company shall acknowledge receipt of all transfer applications within 15 calendar days from date of receipt and, without rejecting such applications, notify **the employee** in writing (via e-mail for employees who submitted transfers via e-mail) an employee who submits a transfer application of any known reason which might preclude the employee from filling the classification on which the employee has submitted a transfer application, including information regarding testing programs which must be completed. Information on whether or not an employee has completed such programs is available from the **electronically from the About Me tab in PG&E@Work For Me (from the Company's intranet or the Internet)**, employee's Human Resources Department. (Amended **1-1-09** 6-4-03)

(e) Within ten calendar days after the first of each month, Company shall, within each Bidding Unit or Department, provide Union information on beginning job vacancies that have been filled the previous month as follows: (Amended 1-1-91)

(1) Name of individual, **personal identification** social security number, employment date and classification. (**Amended 1-1-09**)

(2) Classification of vacancy filled.

(3) Department and Headquarters of vacancy filled.

(4) Date vacancy filled.

(5) Show whether vacancy is regular or part-time.

(6) Show whether vacancy is filled by transfer, new hire or new hire-no transfers on file.

(7) Show whether vacancy resulted from the downgrading of a higher classification or is a newly established position at the headquarters.

(f) Language Unchanged.

(g) Language Unchanged.

(h) Cancellation of Transfers: Applications for Transfer are valid for a period of one year from the date of receipt or until such time as the employee changes classification and/or headquarters, or until such time as the employee rejects an appointment to the classification and headquarters on which the transfer application was made. Company will notify an employee of the cancellation of employee's applications for transfer as indicated below. Cancellations shall be effective as follows:

(1) at the expiration of one year from the date of the transfer and after 15 calendar days advance notice from Company,

(2) ***immediately*** upon the employee's declining an appointment to the classification and headquarters on which the transfer was submitted, (Amended **1-1-09** ~~1-1-94~~)

(3) ***immediately*** ~~30 calendar days~~ after any employee's change of headquarters or classification, which ~~does not affect his or her priority status as a transfer, and after 15 calendar days advance notice from Company,~~ (**Amended 1-1-09**)

(4) ~~***Deleted 1-1-09*** immediately upon an employee's change of classification and/or headquarters which affects his or her priority status as a transfer,~~

(5) immediately upon receipt of authorization from an employee to cancel a transfer, or

(6) upon receipt of authorization from the ***CJBT*** ~~Human Resources Department~~ to cancel transfer because a job is deleted from the directory or an employee improperly designates rights, as provided in Section 18.9 with notification to the employee by the ***CJBT*** ~~Human Resources Department~~ of such cancellation. In the latter cases the employee's transfer will be given the appropriate consideration for 15 calendar days from the date of notification. (Amended **1-1-09** ~~6-1-03~~)

TITLE 20. SAFETY

20.3 PROMULGATION OF ACCIDENT PREVENTION RULES

- (a) Language Unchanged.
- (b) Nothing in the **Code of Safe Practices** ~~Accident Prevention Rules~~ is intended to conflict with applicable Federal or State health and safety laws, rules and regulations. In the event any applicable Federal or State health or safety rules are revised or adopted so that any provisions of the Accident Prevention Rules are in conflict therewith, such rules shall be revised as provided in Subsection (a) above. **(Amended 1-1-09)**

20.4 HEALTH AND SAFETY COMMITTEE

- (a) **Members** - (1) There shall be established immediately a Company-Union Health and Safety Committee consisting of not more than ten members, five of whom shall be appointed by Company's Director of **Labor** Industrial Relations from among its employees and five of whom shall be appointed by Union from among its members. (2) Only a single Health and Safety Committee and Safety Inspection Committee shall be established, but Clerical employees may be appointed to such Committees pursuant to the applicable provisions of Section 105.3 and 105.8 of the Physical Agreement. **(Amended 1-1-09 6-1-03)**
- (b) **Purpose** - The purpose of the Committee will be to further promote safe working conditions and safety awareness on the part of both supervisors and other employees; negotiate with respect to additions to or revisions of the **Code of Safe Practices** ~~Accident Prevention Rules~~; discuss serious industrial accidents where not prejudicial to the legal position of either the employee or Company and report hazardous conditions; adjust grievances relating to any provision of this Title; and such other related agenda items as either party may request. **(Amended 1-1-09)**
- (c) **Chairman-Secretary** - The Chairman and the Secretary of the Committee shall be appointed by the Company. The Secretary will prepare meeting agendas and keep the minutes of the meeting which will be distributed to the Committee members.
- (d) **Meetings** - The Committee provided for herein shall meet quarterly on the third Wednesday in the months of February, May, August, and November unless it is mutually agreed in writing to schedule any such meeting on a different date or to cancel it.
- In addition to the foregoing, the Committee shall also meet on a mutually convenient date at the request of the Union's Business Manager or the Company's Director of **Labor** Industrial Relations. **(Amended 1-1-09 6-1-03)**
- (e) **Agenda** - An agenda for each meeting shall be prepared by the Secretary and distributed to the Committee prior to such meeting. The Committee members, the Company or the Union may submit items for discussion to the Secretary at least two weeks prior to any scheduled meeting date. Items so submitted that are within the scope of (b) above will be listed on the agenda prepared by the Secretary.

TITLE 21. LABOR-MANAGEMENT COOPERATION

21.1 COMPANY LABOR-MANAGEMENT MEETINGS (Title Amended 1-1-00)

~~Semi-annual~~ Quarterly system joint labor-management meetings shall be regularly scheduled for the purposes of improving communications and promoting harmony and cooperation between Company and Union through discussions of matters of policy and operation which are of general system concern. The meetings will be scheduled for the first Thursday of May and November ~~fourth Wednesday of January, April, July and October~~, except that such meetings may be cancelled by mutual agreement or by failure to submit agenda items. (Amended 1-1-09 ~~1-1-83~~)

(a) AGENDA (Title Amended 1-1-00)

To enable each to select representatives knowledgeable in the matters of general system concern, agenda items will be submitted to the Company's Director of Labor Industrial Relations together with a list of employees attending for Union at least two weeks prior to the date of the next ~~quarterly~~ meeting. An agenda will be prepared from the items submitted and sent to the Union and Committee members designated by each as soon as possible thereafter. A summary of the Committee's discussion shall be prepared by Company and after Union review shall be distributed to each attending Committee member. (Amended 1-1-09 ~~6-1-03~~)

(b) REPRESENTATION (Title Amended 1-1-00)

Company's Director of Labor Industrial Relations and Union shall appoint their respective representatives to attend a ~~quarterly~~ meeting, and no restriction is placed on the number each may appoint. However, the number so appointed by each should be limited to those having knowledge of the agenda items and restricted in number in such a way as to insure an orderly presentation by each. (Amended 1-1-09 ~~6-1-03~~)

21.3 PRODUCTIVITY ENHANCEMENT COMMITTEES (Title Amended 1-1-00)

(a) Company and Union will establish Joint Committees on Productivity Enhancement. One such committee consisting of four members appointed by Company's Director of Labor Industrial Relations and four members appointed by Union shall meet at the call of either party. Other Productivity Enhancement Committees will be established as agreed between Union and Company at other levels of Company's organization. Union members of such committees who are employees of Company shall be paid by Company for attendance at mutually agreed-to meetings of such committees. (Amended 1-1-09 ~~6-1-03~~)

EXHIBIT B EDUCATIONAL ASSISTANCE

The Company shall provide a program of partial reimbursement for tuition and required textbooks, as follows:

Eligibility

Language Unchanged.

Procedure

Language Unchanged

Payment In Advance

Payment in advance for approved courses of study will be provided at a rate of 75 percent or 90 percent of direct costs. Direct costs apply only to registration fees, tuition, required textbooks, laboratory fees, and other charges made by the institution. Costs of material and equipment purchased separately by the employee are not covered.

- A. ~~Refunds under the current Tuition Refund Program will be made only for those approved courses begun on or after January 1, 1971. Payment in advance under the revised Tuition Refund Program will be provided only for those approved courses begun on or after January 1, 1994. **(Deleted 1-1-09)**~~
- B. Where the institution includes the costs of textbooks and/or supplies in its charges or fees, a refund of 75 percent of the direct costs will be made (e.g., ICS, La Salle, etc.).
- C. In all other cases, a refund of 90 percent of the direct cost charged by the institution will be made (e.g., City or State Colleges, Heald's etc.).
- D. Payment in advance will be made only for courses in which regular employee enrolled after completion of six months or more of continuous service. Employees who voluntarily terminate employment with PG&E or are discharged for cause must repay PG&E for any tuition and fees advanced.
- E. There is an annual limit of **\$5,250** ~~4,200~~ per employee per calendar year. Requests for payment in excess of this limit will be considered only if:
 - 1. The course or courses are of a special nature, and
 - 2. Such course or courses are not available elsewhere, and
 - 3. It is unlikely that such course or courses will be repeated in the foreseeable future.

(Amended 1-1-09)

ATTACHMENT B

BENEFIT AGREEMENT

Replace the \$3,500 in Section 14 of Part II of the Retirement Plan with the applicable IRS Code Section:

14. Facility of Payment

- (1) If the present value of all PENSION benefits payable under the PLAN to any individual is less than ~~\$3,500.00~~ ***the amount specified under IRC Section 411(a)(11)*** as of the SEVERANCE FROM SERVICE DATE or ACTUAL RETIREMENT DATE, the equivalent value shall be paid in a lump sum, as directed by the ADMINISTRATOR.

SPECIAL PROVISION G

PENSION ADJUSTMENTS

(Amended 2/1/09)

- (a) Effective February 1, 2009, the PENSION of any PARTICIPANT who actually retired from the bargaining unit represented by UNION or the PENSION of a person receiving a SPOUSE'S PENSION or a JOINT PENSION of such a retiree, will be increased as follows:

Retired before 1990	5.0%
Retired between 1/1/90 and 12/31/97	3.0%

BENEFIT AGREEMENT

PART III

RETIREMENT PLAN

Effective January 1, 2009, Section 3.06 of the Retirement Plan will be replaced as follows:

3.06. Basic Pension Benefit Formula (Amended 1/1/09)

(a) Effective January 1, 2009, each Employee on Actual Retirement Date, or Employee terminating employment with a vested Plan benefit on Severance from Service Date A PARTICIPANT whose SERVICE continues to NORMAL RETIREMENT DATE or beyond is entitled to a Basic Pension payable on Actual Retirement Date and on the first day of each month thereafter as long as the Participant lives. The monthly amount of the Basic Pension for a Participant **shall be equal to the PARTICIPANT'S Employee's Basic Weekly Pay in effect as of the thirtieth (30th) day preceding the Severance from Service Date, converted to an equivalent monthly salary, and multiplied by:**

1.5 percent times the number of whole and fractional years of Service up to and including the 25th year of Service, plus

1.6 percent of the number of whole and fractional years of Service after completion of the 25th year of Service.

The amount so determined shall take the place of all other retirement income to which a Participant might otherwise have been entitled under any suspended Plan of an Employer or predecessor company, **except that in no event shall this benefit be less than the Participant's accrued monthly benefit as of December 31, 2008.**

(a) Pension Band Tables

- (i) — The Monthly Benefit amount shown in the PENSION Band Table times years of SERVICE shall be compiled to the nearest half month.**
- (ii) — The Monthly Benefit Per Year of SERVICE amounts shall continue to reflect any increase of the PARTICIPANT's BASIC WEEKLY PAY which is effective on January first of each year.**
- (iii) — Each active Employee on Actual Retirement Date, or active Employee terminating employment with a vested Plan benefit on Severance from Service Date shall be placed in a Pension band which reflects the Participant's straight time rate of pay for the basic work week as of January first or the top rate of pay for the Employee's basic classification as of January first, whichever is greater, not including any temporary upgrade pay, any premium pay or any benefits of any kind. This rate of pay will be increased by 2.75% for all clerical EMPLOYEES who receive the 1988 Lump Sum payments; by 3.75% for clerical Employees who receive the 1988 and 1989 Lump Sum payments, in accordance with the Clerical Agreement; by 6% for all physical Employees who qualify for rubber gloving premiums; or by 4% for all Pacific Gas Transmission Company Employees who receive the 1991 Lump Sum payment.**
- (iv) — The minimum BASIC WEEKLY PAY amount in (a) above shall be adjusted to reflect the general wage increase which is effective on January first of each year.**

(b) Additional Retirement Income

Each PARTICIPANT shall upon retirement, in addition to the monthly PENSION benefit provided for in Subsection 6(a) above **under the Basic Pension Formula**, be entitled to additional monthly Pension income, as computed below, for shift premiums, Sunday premiums, and nuclear premiums.

Additional Retirement Income is computed as follows:

The actual straight-time compensation received by Participant for shift premiums, Sunday premiums, and nuclear premiums during Participant's last calendar year prior to retirement shall be totaled and divided by the total number of ~~weeks~~ months worked in that year (~~52 weeks~~ 12 months in a year) which will result in an average premium per ~~week~~ month. No amount of compensation in excess of the compensation limits imposed by the CODE Section 401(a)(17) shall be taken into account for purposes of computing Additional Retirement Income. The average premium per ~~week~~ month, rounded up to the nearest ten dollars, will then be applied to the current factor which will result in a benefit per year of Service amount. The factor referred to is computed on the effective date of any Plan agreement by dividing applicable first year Monthly Benefit Per Year of Service amount by the maximum Basic Weekly Pay provided for that monthly amount. For example, assuming the 2003 Pension Band 37 applies to a Participant who retires in any year of the contract term, the factor would be .0620 ($\$78.74 \div \$1,269.99$). The monthly benefit per year of Service amount will then be multiplied by the Basic Pension Formula which will result in the Additional Monthly Retirement Income.

Example:

1. Total of Shift, Sunday and Nuclear Premiums		
Received in Previous Calendar Year	=	\$ 2,050.46
2. Weeks in One Year	=	52
3. Average Premium Per Week	=	\$ 39.43
4. Current Factor ($\$78.74 \div \$1,269.99$)	X	.0620
5. Monthly Benefit Per Year of Service	=	\$ 2.45
6. Participant's Credited Years of Service (Assume 30)	X	30
7. Additional Monthly Retirement Income		\$ 73.50

Effective January 1, 2004, Additional Retirement Income will be calculated in two parts, reflecting the two-tiered Pension Band benefits based on service up to 25 years and service in excess of 25 years. The average premium per week will be multiplied by the factor that applies based on years of service, which will result in a monthly benefit per year of Service amount. The factors referred to are computed on the effective date of any PLAN agreement by dividing applicable first year Monthly Benefit Per Year of Service amount by the maximum BASIC WEEKLY PAY provided for that monthly amount. For example, assuming the 2004 Pension Band 43 applies to a Participant who retires, the factor would be .0650 ($\$89.05 \div \$1,369.99$) for the first 25 years of service, and .0693 ($\$94.99 \div \$1,369.99$) for service after the 25th year. The resulting monthly benefit per year of Service amounts are multiplied by the Participant's Credited years of Service, then added together, which will result in the Additional Monthly Retirement Income.

Example:

1. Total of Shift, Sunday and Nuclear Premiums		
Received in Previous Calendar Year	=	\$ 2,050.46
2. Weeks in One Year	=	52
3. Average Premium Per Week	=	\$ 39.43
4. Factor for first 25 Years ($\$89.05 \div \$1,369.99$)	X	.0620
5. Monthly Benefit Per Year of Service	=	\$ 2.56

6. Participant's Credited Years of Service (Maximum 25)	X	25
7. Additional Monthly Retirement Income for first 25 Years	-	\$ 64.00
PLUS		
8. Average Premium Per Week	-	\$ 39.43
9. Factor for Service over 25 Years (\$94.99 / \$1,369.99)	X	.0693
10. Monthly Benefit Per Year of Service	-	\$ 2.73
11. Participant's Credited Years of Service Over 25 (Assume 30 Years Total)	X	5
12. Additional Monthly Retirement Income for Service Over 25 Years	-	\$ 13.65
13. Total Additional Monthly Retirement Income (\$64.00 + \$13.65)	-	\$ 77.65

Example:

1. <u>Total of Shift, Sunday and Nuclear Premiums Received in Previous Calendar Year</u>		\$ 2,050.46
2. <u>Months in One Year</u>	=	12
3. <u>Average Premium Per Month (\$170.87 rounded up to Nearest \$10)</u>	=	\$ 180.00
5. <u>Participant's Credited Years of Service (Assume 30)</u>	=	30
6. <u>Basic Benefit Formula:</u>		
1.5% X Average Premium per Month X 25 Years of Service	=	\$ 67.50
1.6% X Average Premium per Month X 5 Years of Service	=	\$ 14.40
7. <u>Total Additional Monthly Retirement Income (\$67.50 + 14.40)</u>	=	\$ 81.90

(c) In no event shall a Participant's Pension payments exceed the maximum described in Special Provision H.

Also effective January 1, 2009, the definition of BASIC WEEKLY PAY will be amended as follows:

Basic Weekly Pay:

See Section 6 (a), (ii), (iii), (iv). Basic Pension Benefit Formula.

(a) Each active EMPLOYEE on ACTUAL RETIREMENT DATE or active EMPLOYEE terminating employment with a vested PLAN benefit on SEVERANCE FROM SERVICE DATE shall receive **a Basic Pension Benefit which reflects the PARTICIPANT's straight-time rate of pay for the basic work week as of the thirtieth (30th) day preceding SEVERANCE FROM SERVICE DATE, rounded up to the nearest ten dollars.** This rate of pay excludes any temporary upgrade pay, any premium pay, or any benefits of any kind except as provided below. This rate of pay will be increased:

- by 2.75% for all clerical EMPLOYEES who received the 1988 Lump Sum payment; or by 3.75% for clerical EMPLOYEES who received the 1988 and 1989 Lump Sum payments, in accordance with the Clerical Agreement;
- ~~by 6% for all physical EMPLOYEES who qualify for rubber-gloving premiums;~~
- by 4% for all Pacific Gas Transmission Company EMPLOYEES who received the 1991 PGT Lump Sum payment;

- **to a minimum rate of pay equal to the highest BASIC WEEKLY PAY amount for Pension Band 1 of the Pension Band Table as of January 1, 2008, or \$ 1,109.99, as adjusted to reflect any general wage increase which is effective during the term of the Agreement, and rounded up to the nearest ten dollars.**

(a) ~~(b)~~ If an Employee's pay rate is changed in accordance with the provisions of Section 204.4 or 304.4 of the Physical Agreement or Section 13.5 of the Clerical Agreement, or Section 15.2 of the ESC Agreement, during the term of this Agreement, Employee's Basic Weekly Pay shall be the rate established on the first day of such change. An Employee who has at least 10 years or more of Service and who, due to a lack of work situation, or due to physical disability, is demoted, transfers or bids down immediately preceding Participant's Actual Retirement Date, but not to exceed three years with at least 10 but not less than 20 years of Service, not to exceed four years with at least 20 but less than 30 years of Service, and not to exceed five with at least 30 years of Service shall **use the Basic Weekly Pay** be placed in the Pension Band ~~e~~ in effect on **the thirtieth (30th) day prior to** Actual Retirement Date for either Participant's former classification held prior to such demotion, transfer or bid-down, or the Pension Band of Participant's current classification, **rounded up to the nearest ten dollars, for purposes of calculating a benefit under the Basic Pension Benefit Formula.**

(b) ~~(c)~~ For an inactive Employee not on Long-Term Disability: the Basic Weekly Pay as defined in ~~(a)~~ **(b)** above for the classification held by Employee on the last day worked, or if the Participant returns to active employment the Basic Weekly Pay of the Participant's current classification **on the thirtieth (30th) day** prior to the Actual Retirement Date.

(c) ~~(d)~~ For an EMPLOYEE receiving Long-Term Disability Benefits as provided in Part II B of this Agreement, the rate of pay used in Section 6 shall be the highest of:

- (1) the EMPLOYEE's BASIC WEEKLY PAY for the classification held by the employee on the last day worked, rounded up to the nearest ten dollars
- (2) the employee's Long-Term Disability benefit payment,
- (3) **the highest BASIC WEEKLY PAY amount for Pension Band 1 of the Pension Band Table as of January 1, 2008, or \$ 1,109.99, as adjusted to reflect any general wage increase which is effective during the term of the Agreement, and rounded up to the nearest ten dollars, or**
- (4) the BASIC WEEKLY PAY as defined in (a) above on the date an EMPLOYEE returns to work during the term of the Agreement.

~~(d)~~ **(e)** retain section as is

Additional plan sections may be amended as necessary to conform with the intent of the changes shown above, subject to review and concurrence of the Union.

Retirement Savings Plan

Current Structure	Proposed Structure	
Risk Based Funds <ul style="list-style-type: none">Conservative Asset Allocation FundModerate Asset Allocation FundAggressive Asset Allocation fund	Target Date Funds <ul style="list-style-type: none">Target Date Fund Suite – Target Retirement Date Funds dated 2010-2050 at 5 year intervals; includes Income Fund for existing retirees	
Core Funds <ul style="list-style-type: none">PG&E Corporation Stock FundStable Value FundRSP Large Co. Stock Index FundRSP Small Co. Stock Index FundRSP International Stock Index FundRSP Bond Index Fund	Core Funds	
	<u>Current</u> <ul style="list-style-type: none">PG&E Corporation Stock FundStable Value FundRSP Large Co. Stock Index FundRSP Small Co. Stock Index FundRSP International Stock Index FundRSP Bond Index Fund	<u>Additions</u> <ul style="list-style-type: none">RSP Total US Stock Index StrategyRSP Emerging Markets Enhanced IndexRSP Intermediate US Government Bond IndexRSP World Stock Index Fund
Mutual Fund Window <ul style="list-style-type: none">The Mutual Fund Window offers participants approximately 200 mutual fund selections covering a variety of asset classes.	Self-Directed Account <ul style="list-style-type: none">The SDA will give participants who register for it access to over 4,000 mutual fund offerings.	

- Change will be effective by the 3rd Quarter, 2009. The Company will notify the Union in advance.
- Final implementation will require Employee Benefits Committee (EBC)/Compensation Committee approval.

LONG TERM DISABILITY PLAN

Coordination of Benefits – Plan III

Your benefits under the LTD Plan will be coordinated with other benefits that you may be entitled to receive, including but not limited to:

- California State Disability Insurance (SDI) (for illnesses or injuries occurring on or after January 1, 2001)
- The Company's Supplemental Benefits for Industrial Injury Plan and any other Worker's Compensation benefits
- Any other benefits payable by an employer, including those payable under government laws and financially supported by an employer
- 100% of your family Social Security disability benefit, including any back-pay awards, **or any amount payable under the Railroad Retirement Act.**
- 100% of any payments received from the Company's pension plan
- Life pensions paid under the Workers' Compensation Act for injuries occurring on or after July 1, 1977 (you are entitled to a life pension if you have received a disability rating of 70% or greater)
- 100% of your Social Security retirement benefit, and family Social Security disability, if applicable, **[on your normal retirement date]** if you are qualified to continue LTD benefits.

Coordination of Benefits – Plan II

... 100% of your Social Security retirement benefit **[on your normal retirement date]** if you are qualified to continue LTD benefits.

Coordinate of Benefits – Plan I

... 30% or 40% of your Social Security retirement benefit (depending on your credited service at the time your disability began) **[on your normal retirement date]** if you are qualified to continue LTD benefits.

(Amended 1-1-09)