



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 09-41-PGE

IBEW



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

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

ANDREW K. WILLIAMS
SENIOR DIRECTOR

TOM DALZELL,
BUSINESS MANAGER

September 10, 2009

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 confirms recent discussions regarding the Exhibit XVI Contracting provisions agreed to in 2008 general negotiations for Electric T&D (Title 200 and 300), Gas T&D (Title 200 and 300), and Substation. The parties have agreed to amend the Exhibit XVI Contracting language as noted below.

EXHIBIT XVI. CONTRACTING
Electric T&D (200 and 300), Gas T&D (200 and 300) and Substation

1. It is the parties' objective to control the need to use outside contractors on work that is normally performed by bargaining unit employees, except for the work describe below.
2. The Company agrees that it will not contract any work which is normally performed by its bargaining unit employees if, as a result thereof, it would become necessary to lay off, demote or displace any regular employee. If contracting is taking place, the department's staffing numbers shall not be eroded by attrition over the long term as a direct result of the contracting.
3. Prior to the use of the lack of work provisions of Title 206 or 306 that will result in involuntary layoff or displacement, Company shall first eliminate all use of contracting and hiring hall personnel in the affected department. No contracting or hiring hall personnel may be used in the affected department within 12 months of any Title 206 or 306 activity unless the rehire list for that department has been exhausted.
4. Call Outs and Prearranged Overtime. The Company will exhaust the applicable 212 list and check the availability of Title 300 resources before calling contractors for emergency duty. The appropriate Title 200 and 300 bargaining unit employees will be offered prearranged overtime before any contractors are called into work for prearranged overtime. This provision does not apply to regularly scheduled contractor workweeks that exceed 40 hours. Only bargaining unit employees will be used to inspect work performed by contractors consistent with current work practices. To support this initiative, Company will initiate and sustain training programs that will develop an adequate number of trained bargaining unit Inspectors. Inspectors will be journeymen or above selected by Company and approved by Union.

- 5. The parties recognize that peak work is best accomplished through the use of hiring hall employees or contracting. The Company may contract work (1) when needed specialized skills or specialized equipment are not available (2) when peak workloads require a temporary increase in the Company's forces with subsequent lay-off of such additional forces; (3) **Electric T&D only**: to provide minimal ongoing employment for contractors to facilitate response to storms or other major outages.
- 6. On a quarterly basis or more often as needed, representatives of the Company and Union will meet to review the Company's operational needs and various alternatives for completing the work. Prior to each quarterly meeting, Company will share actual hours contracted compared with projected hours that were forecast. Before deciding whether or not to contract such work, thorough consideration will be given to (1) staffing levels and the possible need to hire additional regular and/or hiring hall employees; (2) providing the opportunity for overtime to the work group involved either instead of or in conjunction with contracting; and (3) other alternatives which would permit greater utilization of Company employees within the requirements of the work to be performed and other restraints such as the time within which the work must be completed. The ultimate decision on staffing levels, overtime assignments, and contracting rests with the Company.
- 7. All construction work normally and historically performed by the bargaining unit will be performed by a contractor signatory to an agreement with IBEW Local 1245 covering the work in question. The Joint Labor Management committee overseeing this agreement may agree to contract work to a contractor who is signatory to a union other than IBEW Local 1245 or to a non-signatory contractor. This agreement does not apply to either the Gas System Maintenance/Gas System Operations Department (sometimes referred to as CGT) or Gas M&C; these departments remain subject to Exhibit XVI. Nothing in this agreement is intended to modify any current understanding of (A) work normally performed by Gas T&D or (B) work normally performed or not normally performed by employees in the covered departments.
- 8. For maintenance work, all contractors will pay employees the prevailing wage as defined by the California Labor Code Part 7, Chapter 1, Article 2, Section 1770, 1773 and 1773.1. Further, the parties continue to encourage the use of IBEW and union-friendly contractors.
- 9. Upon 30 days written notice, either party may cancel this agreement for any department covered by this agreement, in which case the existing term of Exhibit XVI will revert as operative for that department. In the event of cancellation, existing PLA contracts would continue only to the extent required by the termination and cancellation clause of the agreement with the contractor and hours worked by contractors would not count as hours worked under Exhibit XVI. Company will during the full term of this agreement require all contractors to provide all data needed to comply with Exhibit XVI. Amendments to this agreement may be made by agreement of the Chief Negotiator for the Company and the Union's Business Manager.

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 Pacific Gas and Electric Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By: _____


Andrew K. Williams
Senior Director

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

9/11/09

, 2009

By: _____


Tom Dalzell
Business Manager