

LETTER AGREEMENT

NO. 11-42-PGE



PACIFIC GAS AND ELECTRIC COMPANY LABOR RELATIONS AND HUMAN RESOURCESDEPARTMENT MAIL CODE N2Z P. O. BOX 770000 SAN FRANCISCO, CA 94177 (415) 973-4310 STEPHEN A. 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 27, 2011

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 conjunction with efforts to improve PG&E's public image and to improve the ability to identify our customer facing customer service representatives, Company proposes to establish a one year uniform pilot in the Company's local offices for Office Services employees. During this pilot, Office Services employees will be offered five Company-provided uniform shirts. Additional shirts may be purchased by employees. A Joint Company-Union Committee has agreed on the shirt styles which will be available in multiple colors. The selected uniform shirts are manufactured by union labor and have a union bug. Employees voluntarily electing to participate in the pilot will be required to wear the uniform shirts during the one-year pilot period. Employees who accept the shirts and opt out of the pilot during the year will be required to reimburse the Company 50% of the cost of the shirts. Attached is an individual employee agreement each employee electing to participate in the pilot will be asked to sign.

Employees who do not elect to participate in the uniform pilot will be required to wear a magnetic tag identifying them as PG&E Customer Services while working at the front counter or lobby area. Employees found not wearing the uniform shirt (volunteers) or the PG&E badge on more than one occasion may be subject to positive discipline; a second incident (coach and counsel), and additional incidents may result in further positive discipline.

Prior to the end of the one-year pilot, the Company and Union will meet to discuss the future status of uniforms.

This proposal has been discussed with Senior Assistant Business Manager Dorothy Fortier and Business Representatives Arlene Edwards and Debbie Mazzanti.

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

Bv: 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

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Bv:	AM TH
-, _	Tom Datzell
	Business Manager

Office Services Employee Uniform Agreement

- 1. This is a voluntary one-year pilot program. The Company will offer each Office Service employee volunteer a maximum of 5 shirts at no cost to the employee. The Office Services employee may select from the agreed-to styles. A Company/Union approved catalog is provided to make the selected choices. Employee is responsible for the cleaning and repairs of the shirts.
- 2. The Company logo will be affixed to the front of the uniform shirt with the phrase "Customer Service."
- 3. Employees who voluntarily opt into the program will be required to wear the uniform shirts during work hours for the one-year test period. If an employee accepts the uniform shirts and then later decides to opt out of the program during the pilot period, the employee will be required to reimburse the company for 50% of the cost of the shirts. Employees will be advised of the shirt costs as part of the shirt selection and order confirmation process.
- 4. An initial failure to wear the uniform shirt for work will be excused allowing the employee to wear a PG&E badge; a second incident may result in positive discipline (coach and counsel), and additional instances may lead to further positive discipline.
- 5. Employees who opt out after initially participating in the pilot program, will be required to notify their supervisor via e-mail of their decision to opt out a minimum of 24 hours prior to the desired opt out date.
- 6. Employees who initially opt out and subsequently decide to opt into the uniform pilot may do so by submitting this signed agreement to their supervisor. All of the above rules will apply.
- 7. Employees who come into the Office Services organization during the pilot program are eligible to sign up using the same parameters as described above.
- 8. Employees that opt into the uniform pilot should use good judgment in where they wear the uniform before or after work hours, remembering that wearing the uniform identifies them as representatives of PG&E.

OPT IN	
SIGNATURE	
DATE	

Uniform Shirt Talking Points

- Each volunteer will be able to select five shirts from the available options.
- Volunteers will be required to wear the shirts during Company work hours.
- A volunteer who fails to wear the uniform shirt for work will be allowed to wear the jointly agreedto PG&E badge for that day. A second incident may result in positive discipline (coach and counsel), and additional instances may lead to further positive discipline.
- Employees are required to wear the jointly agreed to PG&E badge or uniform shirt (volunteers).
- Changing into or out of the uniform shirt will be on personal time.
- Sample shirts and color swatches will be available to support the selection process.
- The targeted pilot implementation date is December 1, 2011.
- See Company Compliance and Ethics Training Image Awareness Case Study below.

Company Image Awareness

Employee conduct, USP 1, page 1 of Appendix 1 (the Employee Conduct Summary) states: "Employees must not engage in off-duty conduct that would negatively compromise the Company's reputation or image."

Example:

- Q. We can now purchase sweatshirts, golf shirts and other items with the PG&E logo on them for our own use. Does that mean that I can't have a beer in the clubhouse if I play a round of golf on Saturday while wearing my PG&E shirt?
- A. Public perception is the key here. In this context, public perception probably would be that you're not on duty, so having a beer wouldn't be an issue. However, if the employee got intoxicated in the clubhouse and became disruptive while wearing the shirt with a PG&E logo, there could be a negative impact to PG&E's reputation or image ("employees must not engage in off-duty conduct that would negatively compromise the Company's reputation or image.")

Similarly, if an employee took a day off during the regular workweek to attend a daytime baseball game, wore his or her personal shirt with a PG&E logo, and behaved abusively to players, umpires, or other fans, people reasonably could conclude that the employee was there while on duty and perceive the employee and PG&E negatively. The bottom line of the standard is that PG&E isn't trying to control what employees do while off duty; what PG&E is concerned about is that its reputation with the public isn't negatively affected by any conduct employees choose to engage in while off duty.