



# LETTER AGREEMENT NO. 13-11-PGE



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  
STEPHEN 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

February 21, 2013

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 Letter of Agreement cancels and supersedes Letter of Agreement 12-60. In conjunction with the Company's Pipeline Safety Enhancement Program, the Company needs to stabilize and increase its Welder workforce. While efforts are being pursued to bring on additional UA-represented Welders, the Company proposes a Welder Retention Program for employees who are currently in the following classifications:

Title 300 Welder (Legacy Code 2617, SAP Code 50010435)  
Title 300 Welder In-Service Welding (Legacy Code 2599, SAP Code 50497923)  
Title 300 Working Foreman B-Gas (Legacy Code 0255, SAP Code 50251368) (only Working Foremen who are journeymen Welders that maintain the appropriate welder certification)  
Title 300 Working Foreman A-Gas (Legacy Code 0257, SAP Code 50251366) (only Working Foremen who are journeymen Welders that maintain the appropriate welder certification)  
Title 300 Tapping Technician (Legacy Code 0261, SAP Code 50258203) (must maintain the appropriate welder certification)

Employees in these classifications will be offered a one-time opportunity to make a 3-year commitment to remain in their current classification. Employees making this commitment will receive a \$7,500 lump sum payment 18 months after making the commitment and an additional \$7,500 lump sum payment at the conclusion of the 3-year commitment. Employees may accept a higher level position in their line of progression in accordance with Section 305.5 or 305.7. (e.g. Welder to Working Foreman B or A-Gas, Tapping Technician, etc.) during this commitment period. Employees will not have their bids considered for preferential consideration as provided for in Section 205.7 however may be considered for vacancies in Title 200 that are unrestricted.

In addition, employees who previously held one of these classifications within the past 3 years and are qualified to return to one of these classifications will be eligible for the retention payment if they return to one of these classifications before June 1, 2013. Should the Company decide to offer the retention bonus in the future, the parties will meet to negotiate a new agreement.

The Company will prepare a commitment letter which will contain the specifics of this agreement for each eligible employee to sign. The retention bonus offers will occur over the next several weeks. Upon completion of this process all employees who voluntarily sign the commitment letter will have the same start and end date. The Company anticipates the start date to be April 1, 2013. In addition, the commitment letter will have a section referring to promotion and bid rights within Title 300 and the limitations to Title 200 bid rights as noted above so that each employee will understand the commitment with respect to job bidding.

Employees accepting the retention payment will have the payment factored into their salary for all overtime in accordance with FSLA guidelines (see the example below).

Example - Overtime Computation When Receiving a Retention Payment

In the following calculation, the \$7,500 retention payment was earned over eighteen months or 78 weeks, for a weekly equivalent of \$96.15 (\$7,500 ÷ 78 weeks).

If the employee worked ten hours of overtime, the employee would be due an additional \$9.60 in overtime earning as follows:

$$\begin{aligned}
 & \$96.15 \div 50 \text{ hours} = \$1.92 \text{ (increase in the regular rate)} \\
 & \$1.92 \times \frac{1}{2} = \$ .96 \text{ (increase in the additional half-time)} \\
 & \$ .96 \times 10 \text{ hours of overtime worked} = \$9.60 \text{ (increase in overtime earnings due to the bonus)}
 \end{aligned}$$

The Company and Union will collaborate on communications to employees regarding the offering of the retention payment.

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:   
 \_\_\_\_\_  
 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 26, 2013

By:   
 \_\_\_\_\_  
 Tom Dalzell  
 Business Manager