



**Pacific Gas and  
Electric Company**

# LETTER AGREEMENT NO. 13-14-PGE

**IBEW**



PACIFIC GAS AND ELECTRIC COMPANY  
LABOR RELATIONS AND HUMAN RESOURCES DEPARTMENT  
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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

March 4, 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:

As part of the System Operator Ad Hoc Committee, the Company and Union have been discussing the continuing problem of a higher than normal turnover rate in the Vacaville Grid Control Center (GCC) workforce, despite the ongoing recruiting and staffing efforts. This proposal cancels and supersedes Letter of Agreement 11-35, which provided for a commitment allowance offer of \$15,000 beginning September 1, 2011 to all eligible employees in GCC in an effort to reduce the turnover rate, improve safety and stabilize the workforce. Company proposes to offer a new commitment allowance in the amount of \$20,000 as follows.

#### New Commitment Allowance

All employees who are currently under an existing commitment allowance agreement (L/A 11-35) will continue to be bound by that commitment for the duration of their 18-month term.

Once an eligible employees' existing 18-month commitment expires, they may elect to receive a new commitment allowance of \$20,000 by signing an agreement committing to remain at the Vacaville Grid Control Center for a period of 18 months from the date of the agreement. Employees electing this allowance will not have their bids or transfers considered, except to a higher classification at the Vacaville Grid Control Center headquarters, until they complete their 18-month commitment.

Eligible employees are Journeyman System Operators, Lead System Operators, and Apprentice System Operators (who have passed their First Simulator Wage Progression Test) working at the Vacaville Grid Control Center as of February 1, 2013. Employees bidding and hired into the impacted classifications at the GCC following February 1, 2013 will not be eligible for a commitment allowance.

All eligible employees must complete the Commitment Allowance Agreement and Payback Agreement declaring their intent to either accept or decline the commitment allowance offer within 30 days of the offer.

Employees accepting the commitment allowance will have the payment factored into their salary for all overtime worked during the commitment period in accordance with FSLA guidelines (see the example below). The factored payment will be calculated based on all overtime hours submitted at the expiration of the 18-month commitment period, and will be paid on the next pay period following the expiration of the 18-month commitment period.

Example - Overtime Computation When Receiving a Commitment Allowance

In the following calculation, the \$20,000 retention payment was earned over eighteen months or 78 weeks, for a weekly equivalent of \$256.41 (\$20,000 ÷ 78 weeks).

If the employee worked ten hours of overtime, the employee would be due an additional \$25.64 in overtime earning as follows:

$\$256.41 \div 50 \text{ hours} = \$5.13$  (increase in the regular rate)

$\$5.13 \times \frac{1}{2} = \$2.56$  (increase in the additional half-time)

$\$2.56 \times 10 \text{ hours of overtime worked} = \$25.64$  (increase in overtime earnings due to the bonus)

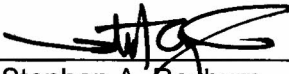
The commitment allowance will be processed for payment once the properly completed Commitment Allowance and Payback Agreements have been submitted by an employee. Any future offers following the implementation of this new commitment allowance will be agreed upon between the Company and the Union.

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

March 4, 2013

By:

 For Tom Dalzell  
Tom Dalzell  
Business Manager