



**Pacific Gas and
Electric Company™**

LETTER AGREEMENT NO. 14-38-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS
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SUITE 130
WALNUT CREEK, CA 94598
925.974.4401

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

September 16, 2014

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:

For the last several years, Company has had difficulty in attracting and retaining specific electric journeyman classifications in the San Francisco headquarters. In addition to the Company's current efforts to recruit and hire into these positions from the local communities, the Company proposes the following to address the staffing problem.

Company will seek volunteers from all incumbents in the San Francisco Service Center headquarters in these Title 200 classifications to participate in a two-year retention program: Lineman; Unassigned Lineman; Electric Crew Foreman; Troublemaker; Cable Splicer; Night Cable Splicer; Unassigned Cable Splicer; Cable Crew Foreman, Night Cable Crew Foreman, Cableman and Distribution Line Technician.

Participating employees shall be paid a retention premium of 10% above their basic rate as provided for in Exhibit X. This 10% premium pay is not covered compensation for purposes of calculating benefits under Part II (the Final Pay Pension) or Part III (the Cash Balance Pension) of the Retirement Plan. The new premium will be programmed and applied as soon as administratively possible, and if it is not available by November 1, 2014, the pay will be retroactive to November 1, 2014.

An employee's retention agreement shall be for a period of two years, beginning November 1, 2014, with the exception that if an employee joins the work group after November 1, 2014, their retention period will begin when they report to the San Francisco headquarters. Unless the parties agree to extend the retention program beyond two years, the program will terminate October 31, 2016.

Should the retention program terminate October 31, 2016, participating employees who have remained in the headquarters for two years shall be assigned "critical classification" status, and shall have the 10% increase factored into their retirement calculation. These employees will remain on critical status for 30 days. If insufficient notice of the cancellation of the retention period is not given, the 30 day period may be extended up to three months.

During the two-year retention period, all employees entering the affected classifications in the San Francisco headquarters will be required to participate in the retention program, including employees who accept a bid via the Title 205 bid process, employees hired into unrestricted vacancies, and applicants hired externally.

Should the parties agree to extend the retention program beyond two years, participating employees who have remained in the San Francisco headquarters for two years shall be assigned "critical classification" status for the duration of the extension, and their base wages shall continue at 10% above the basic rate as provided for in

Exhibit X. This critical classification pay rate is considered a component of basic wages and is therefore covered compensation for purposes of calculating benefits under the Retirement Plan. Employees participating in the retention program for less than two years on October 31, 2016 will continue on the retention premium until they reach two years, at which point they will be assigned "critical classification" status as described above. Employees joining the work group after October 31, 2016 will begin a new retention agreement when they report to the San Francisco headquarters, and will continue based on the parties' agreed-upon extension timeframe.

Except for a promotion within their line of progression at the San Francisco headquarters, employees in the affected classifications who are participating in the retention program will not have their bids, transfers or applications for unrestricted vacancies considered.

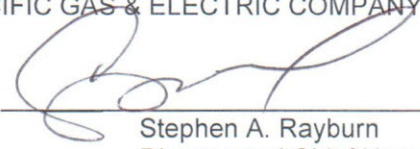
Prior to the conclusion of the initial two-year retention period, the parties will meet to discuss the impact of the retention program on attraction and retention of journeymen, and may agree to extend the retention program beyond two years.

This proposal has been discussed with Bob Dean, Senior Assistant Business Manager.

If you agree, 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:  FOR
Stephen A. Rayburn
Director and Chief Negotiator

The Union is in agreement.

LOCAL UNION NO. 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

September 26, 2014

By: 
Tom Dalzell
Business Manager