



**Pacific Gas and  
Electric Company**

# LETTER AGREEMENT NO. 14-52-PGE

**IBEW**



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LABOR RELATIONS  
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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

December 26, 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:

Over the last year, the parties have been meeting to discuss the Federal regulations as they relate to a NERC certification requirement for System Operators (SO) and Lead System Operators (LSO) who work in Electric Transmission. All Transmission SOs and LSOs are currently headquartered at the Vacaville Grid Control Center (GCC). As a result of those discussions, the Company proposes that a requirement be established for all System Operators in Electric Transmission to become NERC certified in order to perform real-time operating duties. The following provisions will be applied to establish and maintain this requirement. This Agreement cancels and supersedes Letter of Agreement 14-42.

## **Initial Implementation of NERC Certification Requirement**

1. Following the execution of this Agreement, successful completion of the NERC certification exam is required for all SOs and LSOs within 12 months. The start date of the 12-month implementation period will be agreed to by the parties and will coincide with the date that the first NERC certification training is scheduled. All training will be provided on site by both external qualified and proven entities and in-house technical experts. Incumbent SOs and LSOs may begin NERC certification testing as soon as possible after the execution of this Agreement. The Company will pay for a total of three tests at the Transmission Operator (TO) or Reliability Coordinator (RC) level. The Company will pay for the costs associated with taking the exam, including pay as time worked for travel to and from the exam, and during the exam itself, whether the employee is on shift or on an RDO. The Company will provide employees a complete, instructor-led NERC certification exam preparation training program from an external proven and qualified entity prior to each of the three test attempts.
2. During the 12-month implementation period, all scheduled training weeks will be used for providing NERC-certification training and test preparation. Employees preparing for certification who are not scheduled to work may come in to work specifically for certification training and test preparation, and will be paid as if they are working. Employees will be allowed 8 hours of training overtime per week for regularly established training classes, or self-study objectives pre-approved by their supervisor, over the 12 month implementation period, or until they are certified. Such training overtime shall be scheduled and approved by their supervisor.
3. Incumbent SOs and LSOs (employees in these classifications at the Vacaville GCC as of the date of this signed Agreement) who have not passed the test within the required time period will be removed from real-time operations and assigned non-NERC required duties at the GCC. Non-NERC required duties include, but are not limited to: switch log writing and checking; application for work processing; job & station walk-

downs; training; record-keeping; Assistant System Operator duties and assisting operators who are engaged in real-time operations. A maximum of 12 operators (SOs and LSOs) may be placed into non-NERC required duties. Should the number of operators who are unsuccessful in passing the exam exceed these operational limits, the provisions of Section 206.15, Demotion for Other Than for Lack of Work, will apply. LSOs who have not passed the exam within the required time period will be placed into the System Operator classification, and will receive wage protection for three years in accordance with Subsection 204.6(d).

4. The revised Apprentice Transmission System Operator training program was recently agreed to in Letter of Agreement 14-29. This training program will be modified to include the NERC certification training and testing as part of the apprenticeship requirements. Apprentices who become journeymen prior to the addition of NERC training into the apprenticeship will be included in the provisions of this Agreement.

**Compensation:**

5. All NERC-certified LSO, SO or Apprentice SO will receive a 5% increase on the base hourly wage rate. A special wage type has been established to compensate these individuals at the higher rate.
6. Any SOs and LSOs who have successfully completed the NERC certification prior to this Agreement will be paid the premium wage rate at the effective date of this Agreement.
7. Any incumbent SOs, LSOs and Apprentice System Operators who were not NERC-certified prior to this Agreement, but successfully complete NERC certification on their first attempt, and within the 12 month implementation period, will also be paid the premium wage rate retroactive to the effective date of this Agreement. All SOs and LSOs who do not pass the first attempt at the certification exam will receive the premium wage rate upon successful completion of the exam. "Incumbent" SOs, LSOs and Apprentice System Operators are defined as employees who held those classifications at the Vacaville Grid Control Center as of the effective date of this agreement.

**Continuing Education Training:**

8. The training required to maintain the NERC certification continuing education requirement at the TO level (currently 140 hours over three years) and RC level (currently 200 hours over three years) will be provided by the Company. Company has designed and developed a portion of the training modules. For the remainder of the training, NERC certified SOs will have the opportunity to participate in the design and development process. This continuing education training will be provided during the regularly scheduled training weeks. Beginning in 2016, the continuing education training schedule will be posted prior to the March 15 annual vacation sign up period so that operators may consider it when planning and scheduling vacation.
9. In the event a NERC-certified SO or LSO's credential is suspended as a result of a failure to accumulate the required number of continuing education hours within the three year period as a result of LTD or approved leave of absence, or if the Company has not provided the required hours for the training, they will be assigned to non-NERC required duties at the GCC until they have had the opportunity to acquire the necessary continuing education hours to have their credential reinstated. If the Company has provided the required hours for training, the operator will lose the 5% premium and be assigned to non-NERC required duties at the GCC for three months while they acquire the necessary continuing education hours. If their license is revoked, the provisions of section 10 below will apply.

**NERC Disciplinary Action:**

10. In the unlikely event that a NERC-certified LSO or SO is subject to disciplinary action by NERC, the following guidelines will apply:

Probation: No impact on job duties, displacement or demotion as the NERC certification credential will remain valid during the probationary period.

Revoke for Cause: The Operator will lose the 5% premium wage rate as of the effective date of revocation and be assigned to non-NERC required duties at the GCC. They will have three months from the end of the specified revocation period to successfully complete the NERC certification exam at their own expense and become recertified. The 5% premium wage rate will be reinstated as of the Operator's recertification date. If

the Operator is not able to successfully recertify within three months following the revocation period, they will be subject to the provisions of Section 206.15, Demotion for Other Than for Lack of Work.

**Termination of Credential:** If an Operator's credential is permanently removed, they will lose the 5% premium wage rate as of the effective date of revocation. The operator whose credential has been permanently removed will be subject to the provisions of Section 206.15, Demotion for Other Than for Lack of Work.

Any Operator displaced as a result of NERC disciplinary action will receive wage protection (at the non-premium base wage rate) for three years in accordance with Subsection 204.6(d) and will be eligible to bid back to the GCC if/when they are able to successfully recertify at their own expense.

#### **Filling Vacancies**

11. **New Hires, Unrestricted Appointments and Provisional System Operators:** External new hires, employees hired into an Unrestricted (URA) SO vacancy in Electric Transmission, and employees hired as Provisional System Operators in accordance with Letter of Agreement 13-25, will be required to become NERC-certified within six months, and will receive the base rate of pay for their classification during this time. The Company will pay for up to three NERC certification tests within the six months. For Provisional System Operators, NERC training and successful completion of the certification test will be a requirement within the first six months of the individual training plan. Once certified, they will receive the 5% premium rate. If any of the above entrants are unsuccessful, they will be removed from the classification.
12. **Qualified Bidders from Distribution Operations:** After the execution of this Agreement, qualified bidders from Distribution Operations to SO at the GCC will be required to become NERC certified within six months of a conditional job award. Distribution System Operators will maintain their base classification and base pay rate while undergoing the training and certification testing. The Company will pay for up to three NERC certification tests within the six months. If they successfully pass the test within 6 months, they will be awarded the Transmission SO position and will receive the 5% premium. If unsuccessful, they will maintain their current base classification and headquarters.
13. **Qualified Bidders from Hydro Operations:** After the execution of this Agreement, qualified bidders from Hydro (Hydro Operators with 2005 grandfathered C bidding rights) will be required to become NERC certified within six months of reporting to the SO position in Electric Transmission. The Company will pay for up to three certification tests within the six months. If unsuccessful, they will be removed from real-time operations and assigned non-NERC required duties as SOs at the GCC. The maximum number of 12 operators described in section 3 above who may be placed into non-NERC required duties includes any bidders from Hydro Operations who fail to become NERC-certified within six months of reporting. This is effective for 24 months following the effective date of this agreement. In the event there are already 12 Operators assigned to non-NERC required duties, or the employee bids in after 24 months from the effective date of this agreement, the provisions of Section 206.15, Demotion for Other Than for Lack of Work, will apply to any bidders from Hydro Operations who fail to become NERC-certified within six months. Per Section 206.15, the options are limited to available vacancies.
14. **Qualified Bidders to LSO:** Following the initial 12-month implementation period as described in section number one above, NERC certification is a required qualification for bidders into the Lead System Operator classification in Electric Transmission.

#### **Demotion and Layoff**

15. A NERC-certified System Operator and a non-NERC-certified System Operator will be considered the same classification for the purpose of the Title 206 Demotion and Layoff Procedure. In the event of displacement activity impacting System Operators, the parties will negotiate the specific process for administering the provisions of Title 206 at that time.

**Selection Process for Lead System Operator**

16. Company and Union will establish a committee to jointly develop a selection process for qualified bidders to Lead System Operator (LSO). The selection process will include the following provisions:
- A written exam to assess technical knowledge will be developed, with a pool of technical questions to draw from to protect the integrity of the testing process.
  - An oral interview panel to assess leadership abilities will be used as part of the selection process. Company and Union will select an equal number of participants on the interview panel. A pool of interview questions/scenarios will be developed to protect the integrity of the interview process.
  - The candidates' scores on both the written exam and the interview will be standardized on a 100-point scale and combined such that each is given equal weight in the overall score (50% based on interview, 50% based on written test). The candidate with the highest score will be offered the position, except that if the two or more candidates with the highest scores are within ten percentage points of each other, the position will be offered to the candidate with the greatest service. Candidates scoring below the established minimum qualifying score will not be considered. A candidate may only test once for each opportunity to fill an LSO vacancy.
  - The Overview Committee (below) will discuss any disputes over the administration of the selection process. If the Committee is unable to resolve the issue, grievances filed under Subsection 205.14(a) of the Agreement will be limited to issues relating to the administration of the agreed-to selection process.
  - This process must be completed and implemented prior to the expiration of the 12-month implementation period for NERC certification.

**Overview Committee**

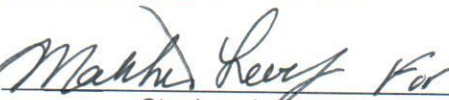
17. A joint Company-Union Overview Committee will be established which will consist of two members selected by the Company and two members selected by the Union. This Committee will address issues associated with the implementation of this Agreement throughout the 12-month implementation period. On an ongoing basis, the Committee will also address issues associated with the LSO selection process as described above. Any issues that cannot be resolved by the Overview Committee will be referred to director level leadership in Electric Transmission and the IBEW Assistant Business Manager responsible for Electric Operations negotiations.

Should NERC requirements change, the parties agree to meet to discuss the impact and negotiate changes to this agreement as necessary.

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:   
Stephen A. Rayburn  
Director and Chief Negotiator

The Union is in agreement.

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

By:   
Tom Dalzell  
Business Manager

12/31

, 2014