



**Pacific Gas and  
Electric Company.**

# LETTER AGREEMENT NO. R2-09-18-PGE

**IBEW**



PACIFIC GAS AND ELECTRIC COMPANY  
LABOR RELATIONS AND HUMAN RESOURCES DEPARTMENT  
MAIL CODE N2Z  
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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

August 10, 2009

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:

The Company proposes pursuant to Section 204.4 of the Agreement to pilot the movement of work from Substation Construction to the Materials Department. Currently, the Fresno Substation Construction Support Facility provides services similar to those provided by Materials employees at Remote Materials Locations. This Pilot's operational changes will allow Substation Construction and Warehouse Operations to explore opportunities for improvement and to gain efficiencies where possible. All services currently provided by Substation Construction Support will be considered during the Pilot. The Pilot will continue through December 2009.

## I. TRANSPORTATION PLAN

**Substation Construction Support:** The Substation Construction Support will provide Fresno Warehouse opportunities to make limited Substation deliveries (already in progress).

**Fresno Warehouse:** The Fresno Warehouse will commit to making deliveries based on resource availability. This will include towable/piggyback forklift offloading capabilities, if required. The Fresno Warehouse will adhere to the same safety requirements as required on other internal/external carriers.

**Exclusions:** If the Fresno Warehouse is unable to commit to deliveries, then Eppler and others will deliver in accordance with the pre-Pilot process. Deliveries do not include substation breakers, Sea-Train vans (cargo containers), Substation Banks (Tx's), or any items requiring cranes.

**Metrics:** The Pilot will be measured by the total number of requests accepted divided by the total number of transportation requests and the hours associated with the deliveries. The benefit for Fresno Warehouse in performing deliveries will be in avoiding certain transportation costs (utilizing available PG&E drivers, equipment, and trailer deck space as opposed to utilizing external carriers).

**Note:** Materials employees may be required to load Company materials onto transportation contractor trucks at either the substation or warehouse facility.

## II. STAFFING PLAN (Reporting and Responsibilities)

**Substation Construction Support:** Utility Workers will continue to be assigned to the Substation Construction Support Facility initially for knowledge transfer in the short term. The Substation Construction Support employees will train the Materials employees in the current process. They will also assist with creating a procedural manual documenting the current processes for both materials handling and transportation. Substation Construction Support Utility Workers will eventually be reassigned to field Station Construction crews.

**Fresno Warehouse:** The Fresno Warehouse will provide 1 Materials Lead-Handler and 1 Materials Handler to the Pilot. Fresno Warehouse vacant positions will be temporarily filled with Hiring Hall employees. The Fresno Warehouse Pilot employees will replace the Station Construction Utility Workers when processes, transportation procedures and general knowledge transfer are complete. Station Construction Utility Workers will then be reassigned to field Station Construction crews.

**Pilot Materials Staff:** Pilot Staff will continue to report to Fresno Warehouse Management staff for administrative purposes. The Pilot Materials staff will receive routine daily direction from Tim Bass. Pilot participants will report directly to the Substation Construction Support Facility. They will attend morning tailboards, safety training, etc, with the Fresno Substation Construction Support staff. Pilot participants will report to Fresno Warehouse for "all-hands" Materials Operations meetings as required.

Work shifts will be 4x10's (7:00 a.m. – 5:30 p.m.) with either Monday or Friday as an RDO consistent with previous agreements.

During the Pilot, they will gain knowledge of Substation Construction materials and proper materials handling procedures. Pilot employees will be responsible for receiving, staging, and shipping process. Materials responsibilities will be limited to materials handling including receiving (including database entry for materials received and staged), job staging, loading, and shipping. Future Warehouse Operations staffing and classifications to be determined based on successful Pilot.

In order to increase the possibility of success, the Company will select Materials employees to participate in the Pilot based on skill and experience (Materials experience as well as Substation experience).

**Materials Employees:** Materials employees headquartered at the Fresno Distribution Center will continue to report to Materials Warehouse Supervisors.

**Note:** Title 300 Substation employees (Utility Workers, Working Foreman, and Hiring Hall Routine Field Clerk) and Title 200 Materials employees (Materials Leadperson and Materials Handler) will be co-mingled for the duration of the Pilot. If the Pilot is determined to be a success, all Materials work currently performed by Substation employees will be transitioned to Materials employees in 2010.

## II. IMPLEMENTATION AND ADMINISTRATION PLAN

The Pilot will be implemented in May 2009. It will be reviewed with the Project Team - every two weeks. It will be reviewed with the Leadership Team in May, July, and September 2009. A final Pilot review and decision to proceed or discontinue the Pilot will occur in December 2009. A decision to regularly implement the program or extend the Pilot beyond December will require Company-Union agreement.

The Union and the Company both reserve the right to cancel this letter agreement by giving 30 days written notice.

Mr. Tom Dalzell

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August 10, 2009  
L/A R2-09-18-PGE

The Company has discussed this Letter of Agreement with IBEW Business Representative Mike Grill and Assistant Business Manager Mike Haentjens.

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

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

August 19, 2009  
By:   
\_\_\_\_\_  
Tom Dalzell  
Business Manager