



Local 1245, PG&E reach tentative settlement

Agreement hikes wages, preserves benefits

Also enhances job security, voluntary severance & early retirement

Bargaining nearly to dawn, union and company negotiators reached tentative agreement Oct. 15 on a new three-year contract that hikes wages, preserves company-paid medical premiums, improves the voluntary severance and early retirement packages, and increases payments to current retirees and to members now on Long-Term Disability.

The tentative settlement, the product of three months of bargaining, will be submitted to the union's members for ratification by mail during November. The settlement includes four agreements in all: Physical, Clerical, Medical, and Benefits.

Several provisions in the agreement address job and income security issues, a top priority expressed by union members at unit meetings last spring. Among these provisions are:

- **Three-year wage protection** for any member of the bargaining unit who is demoted for lack of work, regardless of whether the lack of work is the result of electric industry restructuring.

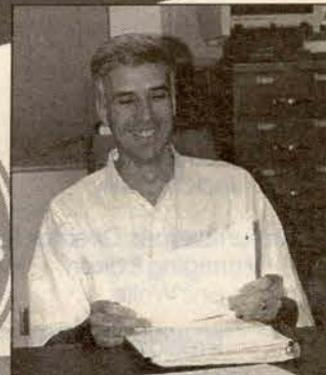
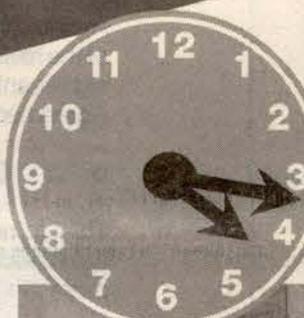
- **Enhanced voluntary severance**, where employees will receive two weeks pay for each year of service, in addition to four weeks pay plus a lump sum of \$5,000—a virtual doubling of the existing package.

- **Mandatory hiring** of additional regular employees if and when use of contractors exceeds a certain threshold.

- **Enhanced early retirement**, permitting employees with 30 years ser-



BARGAINING 'ROUND THE CLOCK'
Union and company negotiators bargained "round the clock" in the final phase of bargaining, reaching agreement at 4:17 in the morning on October 15, the target date for reaching agreement. Above are union negotiators (from left) Larry Darby, Darrel Mitchell, Mark Newman, Mike Scafani, 'Jypsy' Joe Johnson, and Ed Dwyer. Below right are union negotiators Brian Gines, Donna Ambeau and Arlene Edwards. To the right of the clock is PG&E Chief Negotiator and Manager of Industrial Relations Rick Doering. Photos by Jack McNally.



vice to retire without penalty at 55 years of age.

Details on these and all other changes in the labor agreement are contained in this edition of the Utility Reporter.

Union negotiators expressed satisfaction with the outcome of the bargaining.

"I was happy with it," said Donna Ambeau, a member of the union's bargaining committee. "I was glad that Clerical was included in the general wage increase."

"Frankly, I was surprised at how positive the agreement was compared to the company's initial stance," said bargaining committee member Mark Newman, noting that PG&E had dropped its proposal that bargaining unit employees pay a portion of medical premiums.

Union negotiator Larry Darby said the various subcommittees had helped pave the way for the agreement by tackling some of the toughest issues during six weeks of meetings in July and August.

"There were very professional, very knowledgeable union people on the subcommittees and they were a very good match for the people on the management team, who were also very knowledgeable," said Darby.

The agreement is subject to ratification by the entire Local 1245 membership at PG&E. Members will receive a mail ballot, along with instructions on how to use it, during the month of November. Care should be taken to return the ballot by the specified deadline.

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27 October 1999

Pacific Gas and Electric Company
Industrial Relations Department
2850 Shadelands Drive, Suite 100
Walnut Creek, California 94598

Attention: Mr. Rick R. Doering
Manager and Chief Negotiator

Gentlemen:

This letter and its attachments will confirm the Union's understanding of the tentative settlement reached on October 15, 1999, between the Union's Negotiating Committee and the Company's Negotiating Committee in the 1999 Negotiations with respect to the IBEW Agreements between Local Union 1245, IBEW and Company. This settlement agreement is subject to ratification vote by Local 1245 bargaining unit members at PG&E.

This special edition of the Utility Reporter is published for members of IBEW Local 1245 employed by PG&E in order to provide the full text of proposed changes to the Physical, Clerical, Medical, and Benefits Agreements.

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1. Wages

The Company will grant a general wage increase, rounded up to the nearest nickel, of three percent (3.0%), effective January 1, 2000; three percent (3.0%) effective January 1, 2001; and three percent (3.0%), effective January 1, 2002.

2. Committees

Union and Company have agreed to the formation of the following committees as described below. Any recommendations of these committees will be forwarded to the Union's Business Manager and the Company's Manager of the Industrial Relations Department for their approval.

a. Rewrite Committee

A joint Company/Union Committee will be established to review the current Physical and Clerical Agreements. The purpose of the review will be to identify ways to make the agreements more user-friendly, easily navigable and incorporate the most significant letter agreements into both agreements. It is not intended to change the meaning of the language in the Agreements.

b. Clerical LOP Committee

This Committee will conduct a review of the clerical lines of progression, classifications, and departments that are listed in the Clerical Agreement and recommend changes as appropriate, including the deletion of obsolete classifications and correcting of department names.

c. Title 200 Gas T&D Committee

The parties will conduct a review of the Title 200 Gas T&D Lines of Progression, Reverse Lines of Progression, and Job Descriptions. This review will be completed by the end of the second quarter of 2000. The purpose of the review is to ensure that the Lines of Progression and the Reverse Lines of Progression as well as the Job Descriptions and compensation are appropriate and reflect the current work force and job duties.

d. Overtime Committees

Clerical: The parties will conduct a review of the application of the Overtime provisions of Title 12 of the Clerical Agreement. The Committee's charge will be to determine a practical, consistent and understandable procedure in the administration of this Title. It is not the charge of this Committee to modify or make any changes to the Agreement.

Physical (GC): The parties will conduct a review of the application of the Overtime provisions of Title 308 of the Physical Agreement. The Committee's charge will be to determine a practical, consistent and understandable procedure in the administration of this Title. It is not the charge of this Committee to modify or make any changes to the Agreement.

e. Premiums Standardization Committee

A joint Company/Union Committee will be established to agree to standardizing the calculations of premiums using percentages to facilitate the implementation of an SAP/HR Payroll module. In addition, the Committee will determine a method of converting all bargaining unit pay from a weekly wage rate to an hourly rate to streamline the implementation of an SAP/HR Payroll module. The Committee will complete this task by the end of March, 2000.

f. Working Foreman/Lead Committee

This Committee is charged with:

- Clarifying the job expectations of Lead positions
- Identifying qualifications necessary for the positions
- Identifying a selection process to ensure that employees are qualified for Lead positions
- Using the Wage Committee Report as a basis for any compensation recommendations

The Committee will ensure that their recommendations are consistent with the language in Subsection 205.14(a) of the Physical Agreement and Section 18.13 of the Clerical Agreement.

g. Switching Assignments

The Company and Union agree to establish an interim committee to determine the need for training, certification, and

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ongoing re-certification of classifications involved and agree with the concept that the following classifications, when qualified and depending on the type of switching involved may have switching as a common duty, including switching performed on overtime, replacing existing protocols.

- Troublemens
- Transmission Troublemens
- Electrician (Title 200 and 300)
- Electrical Technician (Title 200 and 300)
- System Operator/Relief Operator/Roving Operator

3. 94-53 Communications Committee

The parties will establish a 94-53 Communications Committee that will be chaired by the Vice-President of Human Resources and Union's Business Manager. The Committee will meet as needed to discuss and determine the most effective means of communicating current issues that have significant impact or interest to bargaining unit employees. Either the Company or Union may request a committee meeting.

4. Change from Clerical to Physical Contract

Company and Union have agreed to move 2785 Meter Reader and 2782 Senior Meter Reader classifications from the Clerical Agreement to the Physical Agreement and adjust the Lines of Progression accordingly.

Clerical employees shall maintain their current Title 19 rights into these classifications for the term of the Agreement effective January 1, 2000.

5. Conversion of Hiring Hall Meter Reading Position to Regular Status

- a. Letter of Agreement 95-146 shall be canceled with the understanding that the provisions may be reinstated in any headquarters where automated meter reading (AMR) is imminent. Reinstatement of these provisions will only be made after the Company and Union meet to discuss the expansion of AMR.
- b. The Company will fill Meter Reader positions in order to attain a system-wide ratio of at least 85% regular full-time Meter Reader positions compared to Hiring Hall positions.

The following sequence shall be utilized in the filling of regular full-time Meter Reader positions:

1. Employees exercising (a) preferential bidding rights;
 2. Other employees who submitted transfers;
 3. Unrestricted appointments by the Company including the consideration of hiring hall meter reader employees;
- c. Existing provisions of the Agreements will apply to the hiring of hiring hall Meter Readers into regular positions.

6. Meter Reader Provisions

- a. The Company and Union will meet within the next 6 months to review the provisions of Exhibit C (Meter Reader Agreement) and this exhibit shall be moved from the Clerical Agreement to the Physical Agreement. A section on vacation scheduling will be added to the exhibit which will provide for the continued use of vacation scheduling provisions that are currently in place.
- b. The combination classifications of Credit Representatives and Meter Reader, Service Representative and Meter Reader, and Meter Reader and Utility Clerk will remain in the Clerical Agreement.
- c. The Company and Union recognize that some regular Meter Readers may have voluntary bid out of the classification due to the expected imminent implementation of AMR. Employees who left the Meter Reader classification on December 1, 1995 or later shall be given Subsection 18.5(a) transfer rights if they wish to return to meter reading.
- d. Each headquarters will conduct route bidding for all migrated work (e.g. change of party routes).

7. Field Service Work

The job definition for Gas Service Representative, Meter Reader, Senior Meter Reader, and Troublemens will be modified to reflect new job duties.

No current Troublemens, Gas Service Representatives, Reserve Gas Service Representatives, Service Mechanics, or Relief Service Operators will be displaced as a result of this agreement. Incumbents in these classifications on December 31, 1999 will maintain their wage and classification, unless they voluntarily vacate their position. Both parties recognize that there may be other conditions outside of this agreement that independently may affect the number of employees in these classifications. If conditions outside this agreement would result in reductions in a headquarters, the parties agree to meet and discuss the following: (1) the impact on this agreement (2) moving the work back to the original classifications.

8. Title 19 and 206 Administrative Procedures

The parties shall negotiate revisions to the administrative procedures for Title 19 of the Clerical Agreement and Title 206 of the Physical Agreement.

9. AB 1890 Enhancements

The following provisions of Letter Agreement 97-53 shall apply where the Company and Union jointly agree that a workforce reduction is recoverable under AB 1890:

- Enhanced Relocation (19.8 and 206.8)
- Extended Rehire Rights (19.13, 206.13, and 306.14)
- Retraining Assistance
- Early Retirement Program (Special Provision P)

Employees at Hunter's Point Power Plant and Humboldt Bay Power Plant are eligible for these provisions. The provisions will trigger when a workforce reduction is required at

(Continued from Page 3)

the plant due to unit shutdown. This application will not go into effect unless the CPUC approves the "Settlement Agreement between Pacific Gas and Electric Company, the Office of Ratepayer Advocates and the Coalition of California Utility Employees resolving all issues in the 1998 annual transition cost proceeding." (Application No. 98-09-003)

10. Apprenticeship Opportunities

Both Master Apprenticeship Agreements shall be amended to provide a third apprenticeship opportunity to allow an employee displaced or demoted from a journeyman classification into another line of progression, who at the time of the displacement or demotion had exhausted his or her two apprenticeship opportunities, an additional opportunity to enter an apprenticeship program.

11. Tuition Refund

Exhibit I of the Physical Agreement and Exhibit B of the Clerical Agreement will be amended to extend tuition refund for twelve months following layoff pursuant to Sections 206.7, 306.7 and 19.7 for lack of work.

12. Contracting

The effective date of Exhibit XVI (Contracting) is July 1, 2000, in order to implement the reporting requirements of this Exhibit.

13. Family Sick Leave

The parties agree to maintain minimum legal requirements for family sick leave provisions.

14. Medical Reimbursement

Medical Care Reimbursement Accounts shall be made available to bargaining unit employees effective January 1, 2001.

15. PG&E Medical Plan Vendor

The parties shall jointly review the vendor of the PG&E Medical Plan on an annual basis.

16. Health Net Medicare Supplement Plan

The Health Net Medicare Supplemental Plan will no longer be an option for members on Medicare. Health Net's Medicare + Choice, Seniority Plus, will remain an option.

17. Drug Coverage for HMO Retirees

All retirees who are members of HMO's will be eligible for outpatient prescription drug coverage provided by the HMO.

18. Medical, Dental and Vision Plan Changes

- a. The Kaiser \$5.00 co pay provision will become effective May 1, 2000.
- b. All other medical plan changes will become effective January 1, 2001.
- c. Dental and Vision Plan changes will become effective January 1, 2000.

19. Employee Discount

Company and Union agree that should either party become aware of any threat to the employee discount, the parties shall meet to discuss how to address the threat, and agree to bargain in good faith should such discount be taken away.

20. DCPD Commute Allowance

Company and Union agree to the elimination of the \$3.50/day commute allowance established in Letter of Agreement R1-84-108-PGE.

21. Outside Employment Policy

The Company and the Union have agreed that employees must comply with the following Outside Employment Policy:

As the energy business becomes more complex and competitive, employees must take special care when engaging in outside employment activities. Employees are not permitted to have outside activities that compete with the products or services offered by the Company's lines of business. The types of activities to avoid include the planning, design, installation, or maintenance of any commodity, equipment or service.

In addition, even if employees are not engaged in the activities described above, precautions must be taken to avoid conflict of interest.

22. Attachments

Attached are amended contract sections as agreed to during the negotiations as follows:

- a. Physical Agreement and its Exhibits, Supplements and Clarifications
- b. Clerical Agreement and its Exhibits, Supplements and Clarifications
- c. Medical, Dental, Vision.
- d. Benefits

If any of the above or the attachments thereto are not in accordance with your understanding of our settlement, please let me know immediately.

Sincerely,

JACK McNALLY
Business Manager

PHYSICAL AGREEMENT

Key to Language Changes

New language = bold & underlined
Deleted language = crossed out.

ATTACHMENT A PHYSICAL AGREEMENT

TITLE 2. RECOGNITION

2.3 SUCCESSOR (Added 1-1-00)

(a) (1) Any parent or affiliated company of the Pacific Gas and Electric Company that acquires any property or facility at which employees covered by this Agreement have regularly assigned jobs ("Affiliated Acquiring Entity") shall offer employment to all such covered employees, up to the number of such employees that the Affiliated Acquiring Entity determines are necessary to operate the property or facility, under the terms and conditions contained in this Agreement except as to those specific benefits that the Affiliated Acquiring Entity cannot offer. For such benefits, the Affiliated Acquiring Entity shall offer alternate benefits of comparable value and coverage.

(a) (2) In addition to the obligation to offer employment as required in (a) (1) above, an Affiliated Acquiring Entity shall adopt this agreement or alternate terms and conditions of employment mutually acceptable to the Affiliated Acquiring Entity and Union.

(b) (1) An entity not affiliated with Pacific Gas and Electric Company that acquires any property or facility at which employees covered by this Agreement have regularly assigned jobs ("Non-affiliated Acquiring Entity") shall offer employment to covered employees, up to the number of such employees that the Non-affiliated Acquiring Entity determines are necessary to operate the property or facility, at the terms and conditions contained in this Agreement; except as to those specific benefits that the Non-affiliated Acquiring Entity cannot offer. For such benefits, the Non-affiliated Acquiring Entity shall offer alternate benefits of comparable value and coverage.

(b) (2) In addition to the obligation to offer employment as required in (b) (1) above, the Non-Affiliated Acquiring Entity shall maintain the same or comparable terms and conditions of employment applicable to covered employees hired by the Non-Affiliated Acquiring Entity for a period that is not less than the unexpired term of this Agreement that is in effect as of the date such employees are hired by the Non-Affiliated Acquiring Entity.

(c) This section shall only apply to an acquiring entity that intends to operate the property or facility in the same or substantially the same manner as the Pacific Gas and Electric Company operates the property or facility immediately prior to its acquisition.

(d) The Pacific Gas and Electric Company shall include the obligations set forth in sections (a) or (b) above in any transfer or sale agreement, as provided in section (a) or (b) above, with an acquiring entity of its property or facility. For any property or facility that is subject to Public Utilities Code section 363, the obligations set forth in sections (a) or (b) shall commence at the end of the applicable operating and maintenance period. The only claim the Union may have against Company under this section is for the Company's failure to include in the transfer or sale agreement the obligation set forth in Section (a) or (b) above.

TITLE 8. LABOR-MANAGEMENT COOPERATION

8.1 COMPANY LABOR-MANAGEMENT MEETINGS (Title Amended 1-1-00)

Quarterly system joint labor-management meetings shall be regularly scheduled for the purposes of improving communications and promoting harmony and cooperation between Company and Union through discussions of matters of policy and operation which are of general system concern. The meetings will be scheduled for the fourth Wednesday of January, April, July and October, except that such meetings may be canceled by mutual agreement or by failure to submit agenda items. (Amended 1-1-83)

(a)8-2 AGENDA (Title Amended 1-1-00)

To enable each to select representatives knowledgeable in the matters of general system concern, agenda items will be submitted to the Company's Manager of Industrial Relations together with a list of employees attending for Union at least two weeks prior to the date of the next quarterly meeting. An agenda will be prepared from the items submitted and sent to the Union and Committee members designated by each as soon as possible thereafter. A summary of the Committee's discussion shall be prepared by Company and after Union review shall be distributed to each attending Committee member.

(b)8-3 REPRESENTATION (Title Amended 1-1-00)

Company's Manager of Industrial Relations and Union shall appoint their respective representatives to attend a quarterly meeting, and no restriction is placed on the number each may appoint. However, the number so appointed by each should be limited to those having knowledge of the agenda items and restricted in number in such a way as to insure an orderly presentation by each.

8.28-4 LOCAL/DEPARTMENT LABOR MANAGEMENT MEETING PURPOSE

If the Division Department or Area Manager or ~~Department Head~~ is informed by the Union Business Representative serving that area of supervision of problems other than those subject to the grievance procedures of the applicable contract concerning the affairs and relationship between Union and Company Division management or involve public affairs matters of a local nature which the Division Area or Department Manager or ~~Department Head~~ believes could be solved or improved through joint participative discussion, the ~~Division Manager or Department Head~~ and Union Business Representative shall mutually arrange for a meeting at a place and time which may be during or outside of regular work hours. Such meetings (excluding a continuation of any adjourned meeting) shall take place not more often than bimonthly. (Amended 1-1-0094)

(a)8-5 ATTENDEES AND AGENDA

After notice of a scheduled meeting, the Union may select a reasonable number of its Shop Stewards who are knowledgeable in the matters of concern conveyed to the ~~Division Manager~~ to attend the meeting. Ten days prior to the date set by the ~~Division Manager~~ for such meeting, the Union will submit to him/her agenda items together with a list of employees Union desires to be in attendance at the meeting. As soon as possible thereafter, an agenda will be prepared from the items submitted by the Union and those proposed by Management and sent to Union. (Amended 1-1-0094)

(b)8-6 SUMMARY

Following the meeting, the Division Area or Department Manager or ~~Department Head~~ will prepare a summary of the items discussed and the conclusions reached by the Committee which shall thereafter be distributed to the Union and Company members in attendance. (Amended 1-1-00)

(c)8-7 WITHDRAWAL

Any Division Area or Department may withdraw from participation in the Local Labor-Management Committee upon Company's Manager of Industrial Relations giving notice of such intent to Union. (Amended 1-1-0084)

8.38-8 PRODUCTIVITY ENHANCEMENT COMMITTEES (Title Amended 1-1-00)

(a) Company and Union will establish Joint Committees on Productivity Enhancement. One such committee consisting of four members appointed by Company's Manager of Industrial Relations and four members appointed by Union shall meet at the call of either party. Other Productivity Enhancement Committees will be established as agreed between Union and Company at other levels of Company's organization. Union members of such committees who are employees of Company shall be paid by Company for attendance at mutually agreed-to meetings of such committees. (Amended 1-1-88)

(b) A unit may request to participate in an employee involvement efficiency project. Each project will have an advisory committee and a steering committee, each consisting of Company and Union representatives.

Company's Manager of Industrial Relations and Union's Business Manager may agree to guidelines and provisions to temporarily amend provisions of the agreement and/or Company policies and procedures (excluding conflict with any Federal or State Law, Regulation or Executive Order). (See Letter Agreement 87-165-PGE, Exhibit XI.) (Added 1-1-88)

TITLE 102. GRIEVANCE PROCEDURE

102.3 TIME LIMITS

(a) Filing

It is the intent of Company, Union and the employees that timely filed grievances shall be settled promptly. (i) A local grievance is timely filed (f) when submitted by the Union Business Representative or his/her alternate (hereinafter either is referred to as "Business Representative") in writing on the form adopted for such purpose to the Director, HR Service Center, 245 Market Street, San Francisco Division or Department Human Resources Manager or his/her alternate (hereinafter either is referred to as "Human Resources Advisor Manager"); or (ii) a Business Manager grievance is timely filed when submitted by Union's Business Manager to Company's Industrial Relations Manager and (iii) within the following time periods: (Amended 1-1-0094)

(1) A grievance which involves the discharge of an employee must be filed not later than 14 calendar days after the employee is notified in writing of the discharge. Whether or not a grievance is filed, Company shall, at Union's request, state in writing the reasons therefore within two workdays of such request. (Amended 1-1-91)

(2) A grievance which does not involve the grievant's discharge must be filed not later than 30 calendar days after the date of the action complained of, or the date the employee became aware of the incident which is the basis for the grievance, whichever is later.

(Physical Agreement continued on Page 6)

PHYSICAL AGREEMENT

(Continued from Page 5)

The Company shall, at Union's request, state in writing the reason for an employee's discipline, demotion or suspension within seven calendar days of receipt of such request by Union.

(3) Business Manager grievances which may be filed pursuant to (a)(ii) above shall concern contractual interpretation matters which have system-wide or classification wide implications. Business Manager grievances shall not involve an employee's discharge, demotion, discipline, promotion, demotion or transfer. (Added 1-1-00)

(b) Steps One Through Five Extension of Time Limits

Either the Company or Union members of any of the Committees provided for in each of the following grievance Steps One through Five may, if they agree that further determination of fact is required, request an extension of time which may be granted by the other. In no event shall any extension by either or both parties exceed one additional time period provided for at the step where the extension is granted.

102.6 STEPS

STEP ONE SHOP STEWARDS

Except for disputes involving an employee's discharge, demotion, suspension, discipline or qualifications for promotion or transfer, the initial step in the adjustment of a grievance shall be a discussion between Union's shop steward (or grievant or Business Representative if no shop steward is assigned to the work area) and the foreman or other immediate supervisor directly involved. The foreman and shop steward may discuss the grievance with the general foreman or other supervisor of corresponding authority. The purpose of such discussion shall be to reach a satisfactory disposition of the grievance but shall not waive or delay the filing requirements set forth in Section 102.3 above. Discussions shall be at such time and place as not to interfere with the work then in progress. (Amended 1-1-91)

Shop stewards shall be employees of Company, and Union may designate as many shop stewards as it deems necessary for the proper administration of its affairs and for the administration of the provisions of this Agreement.

STEP TWO LOCAL INVESTIGATING COMMITTEE

Immediately following the filing of a timely grievance, a Local Investigating Committee will be established. The Committee will be composed of the Human Resources Advisor Manager, the Business Representative, the exempt supervisor whose decision is involved in the grievance, and the shop steward representing the department involved. (Amended 1-1-0091)

(1) The Human Resources Advisor Manager and Business Representative will arrange for meetings of the Committee at times and places convenient for the persons involved. (Amended 1-1-0091)

(2) The Committee shall meet as soon as reasonably possible and shall make a full and complete investigation of all of the factors pertinent to the grievance. If necessary to gain all of the information required to resolve the grievance, the Committee may hold investigative interviews with other persons involved in the dispute. Except for good cause to the contrary, the grievant shall be permitted to be present during these interviews. The grievant will not be a party to the disposition of the grievance, nor is the grievant's concurrence required for the Committee to reach a settlement of the grievance. Grievant, however, does have the right to point out the existence of other facts or witnesses favorable to grievant's case.

Notwithstanding the foregoing prohibition, with the written consent of the Union's Business Manager, or designee, the members of the Local Investigating Committee may include the grievant where such employee is also the shop steward representing the department involved in the grievance. In this limited situation, the shop steward/grievant may be a party to the disposition of the grievance. (Amended 1-1-91)

(3) (a) Within 30 calendar days following the filing of a grievance which does not concern an employee's qualifications for promotion or transfer (except as provided in the next paragraph for Inter-regional or General Office Departmental prebids or transfer applications), or the employee's demotion, suspension or termination of employment, the Local Investigating Committee shall prepare a report of its findings, which shall include: (i) a mutually agreed-to brief narration of all the events and factors involved in the dispute, and (ii) the Committee's mutually agreed-to findings with respect thereto. If the Committee has reached an agreeable disposition of the grievance, the report shall also contain a statement to that effect and the reasons therefore. (Amended 1-1-88)

Inter-regional or General Office Departmental prebids or transfer applications shall be subject to the further limitation, however, that the report of the employee's present Regional or General Office Departmental Local Investigating Committee shall be forwarded within 15 calendar days from the date a report was requested by the bypassing Region or General Office Department and further, the latter Committee must dispose of the grievance, in the manner described above, no later than 15 calendar days thereafter. (Amended 1-1-88)

If the grievance is not resolved in 30 calendar days following its being timely filed, either Company or Union may request "Certification to Fact Finding" for a local grievance, or referral to the Review Committee for a Business Manager's Grievance. If "Certification to Fact Finding" is not requested by either party, the grievance shall be automatically referred to the Region or General Office Department Joint Grievance Committee.

(Amended 1-1-0088)

The referral in either event shall be accompanied by the report referred to above. The referral shall also include either an agreed-to summary or separate summaries of the reasons (facts or factors in dispute) why the Local Investigating Committee could not resolve the grievance.

If either party requests "Certification to Fact Finding," copies of the report and the request shall be forwarded to the Chairman and the Secretary of the Review Committee. If the Chairman and the Secretary of the Review Committee have rejected referral of the grievance to Fact Finding within seven calendar days following receipt of the request, or if the request is not received within the seven calendar days following the expiration of time limits stated for resolution by the Local Investigating Committee, the grievance will be automatically referred to Fact Finding, the Joint Grievance Committee: Business Manager Grievances not resolved by the LIC within the time limits in Step Two(3) (a) will be automatically referred to the Review Committee. (Amended 1-1-00)

(3) (b) Within 15 calendar days following the filing of a grievance which does concern an employee's qualifications for promotion or transfer (except as provided above for Inter-regional or General Office Departmental prebids or transfer applications), or an employee's demotion, suspension or termination of employment, the Local Investigating Committee shall prepare a report of its findings as set forth in Subsection (a) above.

If such grievance is not resolved in 15 calendar days following its being timely filed, the grievance must be referred to and accepted by the Fact Finding Committee. The referral shall also include the report referred to above and either an agreed-to summary or separate summaries of the reasons (facts or factors in dispute) why the Local Investigating Committee could not resolve the grievance. (Amended 1-1-88)

STEP THREE FACT FINDING COMMITTEE

The Fact Finding Committee shall be composed of the Chairman of the Review Committee or his/her designee, the Secretary of the Review Committee or his/her designee, and the Human Resources Advisor Manager and the Business Representative involved in the preceding step. (Amended 1-1-00)

The Fact Finding Committee shall hold hearings or meet at such places and times as it deems necessary to resolve the grievance. If the grievance is resolved by the Fact Finding Committee before the expiration of the 30 calendar days following the date of referral from the preceding step, the Committee shall issue an agreed-to "Memorandum of Disposition," copies of which shall be distributed to each member of the Committee and to the grievant, and such others as the Committee determines.

If the Fact Finding Committee has not settled the grievance within 30 calendar days following receipt of or acceptance of certification, it may, by mutual agreement of the Secretary and Chairman, be:

- (1) referred to arbitration; or
- (2) referred to the Region or General Office Department Joint Grievance Committee; or
- (3) referred back to the Local Investigating Committee for further information and/or instructions as to the grounds for settlement; or

If none of the foregoing can be mutually agreed to, the complete grievance file shall be referred to the Review Committee. (Amended 1-1-88)

STEP FOUR REGION OR GENERAL OFFICE DEPARTMENT JOINT GRIEVANCE COMMITTEE

A "Joint Grievance Committee" shall be established in each geographical Region or General Office Department, in the Materials Distribution Department, in the Pipe Line Operations Department and in General Construction. Each Committee shall consist of three members appointed by the Company and three members appointed by the Union except that the Committee appointed in General Construction shall consist of five members appointed by Union and five members appointed by Company. The three members appointed by Union to the Materials Distribution Committee shall include the member appointed to represent the office and clerical employees of such department. Employees who are appointed members of a Joint Grievance Committee shall be allowed only such time off with pay as is necessary for attendance at the Committee's meetings. (Amended 1-1-88)

There shall be no permanently established Joint Grievance Committee for the Communications and Building Departments of Company's General Office, the Gas Meter Repair Facility at Fremont and Diablo Canyon Power Plant. Whenever a case is to be referred to a Joint Grievance Committee under this procedure in any of the above-named departments, a committee shall be established consisting of three members appointed by Company's Department Head and three members appointed by Union in addition to a Company-appointed Industrial Relations Representative and a Union-appointed Business Representative. The Committee thus established shall meet within ten workdays of its establishment and shall have all the duties and perform the same functions as a Regional or General Office Departmental Joint Grievance Committee with respect to the grievance or grievances on its agenda. (Amended 1-1-88)

The Committee shall, within 30 calendar days following its next regularly scheduled

PHYSICAL AGREEMENT

monthly meeting date after receiving the referral and report of the Fact Finding Committee or the report of the Local Investigating Committee, whichever is applicable: (1) settle the grievance, or (2) refer the case to the Review Committee, or (3) either Company or Union may request certification from the Chairman and the Secretary of the Review Committee to refer the case directly to arbitration.

Any grievance which is not so settled within 30 calendar days or if the Chairman and Secretary of the Review Committee have not approved a request for certification to arbitration within seven calendar days after receipt of such request, the grievance shall be automatically referred to the Review Committee.

A referral to Review Committee or request for certification to arbitration shall be accompanied by a joint summary of the discussions held at the Region or General Office Department or General Construction Joint Grievance Committee meeting and a joint statement of the issues upon which they are in agreement, issues still in dispute and the reasons therefore, and the basis for settlement, if any advanced by each. (Amended 1-1-88)

Notwithstanding all of the above in Step Four, Region or General Office Department may, by mutual agreement between the Company's Region or General Office Department Human Resources Manager and Union's Business Representative, elect to replace the Joint Grievance Committee with a Region/Department Joint Labor Management meeting as outlined in Section 8.4 of the Agreement. (Amended 1-1-88)

(Deleted 1-1-00)

STEP FIVE FOUR (Title Amended 1-1-00) REVIEW COMMITTEE

The Review Committee shall consist of four representatives designated by Company's Manager of Industrial Relations, one of whom shall serve as Chairman of the Committee, and four representatives designated by the Union, one of whom shall serve as Secretary of the Committee. Company will not assume payment of any expense or lost time incurred by Union members of the Review Committee.

The Chairman of the Committee shall maintain an agenda of the current cases referred to the Committee. So long as there are cases pending on the agenda, the Committee shall meet at least once each calendar month. These monthly meetings shall be scheduled for the fourth Thursday of each month unless the Chairman and Secretary agree to meet more often.

A. PRE-REVIEW COMMITTEE PROCEDURE

After the Industrial Relations Department receives a Business Manager's Grievance or the file from the Local Investigating Committee, or Fact Finding Committee or the Joint Grievance Committee, as provided for in the foregoing, four copies shall be submitted to the Union's Business Office. Thereafter, and prior to docketing, the Chairman and the Secretary of the Review Committee shall meet at a mutually agreeable time and place for the following purposes: (Amended 1-1-00)

(i) To allow Company to indicate whether or not it will implement the correction asked for. In the event Company takes such action, the grievance will, upon agreement of Union, be considered closed; or

(ii) To allow Union to indicate whether or not it will summarily reject the grievance. In the event Union takes such action, the grievance will, upon agreement of Company, be considered closed; or

(iii) To determine whether or not the file forwarded for review contains sufficient facts to enable the Review Committee to formulate a decision. In the event it is determined the file is incomplete, it shall forthwith, and prior to docketing, be returned to the source of referral for correction or supplementation.

(iv) To number and docket cases not disposed of by subparagraphs (i), (ii) and (iii) above; and

(v) To prepare a statement of issues and to endeavor to reach a preliminary understanding of grounds for settlement.

(vi) To appoint a Local Investigating Committee to investigate and prepare a Joint Statement of Facts for Business Manager Grievances. (Added 1-1-00)

B. REVIEW COMMITTEE PROCEDURE

After the Pre-Review Committee meeting, referrals not disposed of shall automatically be added to the Review Committee Agenda.

(i) Cases for which preliminary grounds for settlement have been reached in the Pre-Review Committee meeting shall have priority over other cases. The parties shall, as expeditiously as possible, determine whether the preliminary grounds are dispositive of the matter. In the event it is not, the matter shall be treated in the same manner as any other referral.

(ii) Other referrals - Within 30 calendar days of docketing a grievance, the Company shall submit, in writing, a "Preliminary Disposition" of all new cases placed on the Agenda. Company may have a continuance for an additional 30 calendar days or until the next Review Committee meeting, whichever is later, to submit such Preliminary Disposition.

(iii) After receipt of the Preliminary Disposition, Union shall have 30 calendar

days or until the next scheduled Review Committee meeting, whichever is later, to submit to the Company a "Counter-Preliminary Disposition."

(iv) After receipt of Union's "Counter-Preliminary Disposition," a matter may, at the option of either party, be set over to the next scheduled Committee meeting if, in the view of either party, compromise or settlement appears possible. Within 30 calendar days thereafter or at the conclusion of the next scheduled meeting, whichever occurs later, the matter must be disposed of by mutual agreement, in writing, by one of the following methods:

(1) Settlement.

(2) Acceptance of Company's "Preliminary Disposition."

(3) Acceptance of Union's "Counter-Preliminary Disposition."

(4) Close the Review Committee file and remove it from its Agenda by notifying the Company's Manager of Industrial Relations and the Union's Business Manager that the case is "suspended." Following such notice, the Union's Business Manager and Company's Manager of Industrial Relations shall, within 15 calendar days, meet for the purpose of proposing an interim consultative disposition of the issues involved or, at their option, refer the case to an Ad Hoc Negotiating Committee as provided for pursuant to the provisions of Title 400 of the Physical Labor Agreement.

If a matter so suspended has not been referred to an Ad Hoc Negotiating Committee for interim negotiations within 15 calendar days of the receipt of the case from the Review Committee and, provided further, if no other disposition is made within that time period, the case may, within five calendar days of the expiration of said 15 calendar days, be filed for arbitration pursuant to the applicable provisions of the applicable Labor Agreement then in effect between the parties. If not filed for arbitration or if the 15-calendar-day limits are not waived as provided for hereafter, or if the grievance has not been withdrawn, the grievance shall be considered finally settled without prejudice.

If Ad Hoc Negotiations are agreed upon within the time periods provided, the Committee will meet and confer at the earliest date that can be arranged between them. The Committee will meet thereafter as often as both parties deem necessary to effect an early disposition of the issues involved. The Committee is empowered to render a final, binding disposition of the case. Such decision will be reduced to writing, signed by both Union and Company, and distributed by each to Union members and Company's management as each deems necessary to effectuate the decision.

If an Ad Hoc Negotiating Committee is unable to reach a disposition of the "suspended" case within 180 days of the date the case was suspended, and if within that period of time neither party has notified the other in writing of their intent to submit said case to arbitration, then at the expiration of said 180 days, the case shall be automatically closed without prejudice, unless there is mutual agreement that the case be terminated by other means.

While "suspended," the preliminary disposition proposed by either party may, upon mutual agreement of the parties, be placed into effect anywhere without prejudice to either party. If both have submitted preliminary dispositions that provide for different methods of resolving the issues, either or both may, but mutual agreement, be put into effect for the purpose of determining which, if either, is mutually acceptable to the parties as a solution.

To provide a favorable atmosphere for negotiating a settlement of the issue referred to an Ad Hoc Negotiating Committee and to encourage the trial of preliminary dispositions proposed by either Company or Union, the period of "suspension" will insulate Company from additional monetary liability, if that is involved in the case, in the following manner: The Ad Hoc Negotiating Committee is empowered to mutually determine in an appropriate case, the amount of retroactive wage adjustment which will accompany its disposition of the case. In no event, however, will such period of retroactive wage adjustment exceed the period of time beginning with the date the grievance was originally filed and ending with the 30th calendar day following the date the Union notifies Company of their election to "suspend."

The period of suspension shall end, and the insulation of Company of further liability shall cease whenever either party notifies the other of its desire to submit the case to arbitration.

(5) Referral to arbitration.

(6) Withdrawal of the grievance by Union without prejudice.

(v) Unless the parties mutually agree in writing to the waiver of the applicable time limitation in any specific instance, the failure to strictly comply with the time limits provided above shall result in:

(1) Granting, at the option of the Union, of the correction sought by the grievance if Company does not submit its "Preliminary Disposition" within the time limits set forth in Item (ii) of this Part B, or

(2) The closure of the case without adjustment and without prejudice.

(vi) Either party may request a Review Committee hearing. Such hearing will be scheduled at the earliest time possible, but shall not delay or extend the running of time limits set forth in Part B of this Procedure.

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STEP SIX FIVE (Title Amended 1-1-00) ARBITRATION

A. TRIPARTITE BOARD

Either Company or Union may request, within the time limits provided in the foregoing steps, that a grievance which is not settled at one of the steps provided above be submitted to arbitration.

An Arbitration Board shall be appointed on each occasion that a grievance is timely submitted to arbitration pursuant to the foregoing provisions of this Title. The board shall be composed of two members appointed by Company, two members appointed by Union, and a fifth member appointed pursuant to the procedure set forth in the following Subsection B. Such fifth member shall act as Chairman of the Arbitration Board and conduct hearings and render a decision in accordance with the appropriate Submission Agreement.

B. SELECTION PROCEDURE

The parties to an arbitration proceeding will make a good faith effort to mutually agree to the selection of the Chairman. If they cannot, each party shall nominate two candidates from the panel established by Company and Union, Subsection C. If the parties are still unable to agree upon the selection of a Chairman, then the Chairman shall be chosen by lot from the panel names submitted.

C. PANEL OF ARBITRATORS

A panel of not more than ten arbitrators shall be established and renewed annually by the Company and the Union on January 1 of that year. Each party shall have the right to name five panelists who will remain on the panel during the calendar year.

TITLE 108. SUPPLEMENTAL BENEFITS FOR INDUSTRIAL INJURY

108.1 BENEFIT DESCRIBED

(a) When an employee is absent by reason of injury arising out of and in the course of the employment with Company which comes within the application of the Workers' Compensation and Insurance Chapters of the State Labor Code, the employee shall be eligible for supplemental benefits for the duration of temporary disability. Such benefits shall commence with the first workday of absence immediately following the day of the injury. The amount of the supplemental benefit payable shall be 75 percent for each of the first 182 days of absence shall be 85 percent of an employee's basic weekly wage rate divided by five, less the sum of any payments to which the employee may be entitled under the Workers' Compensation and Insurance Chapters of the State Labor Code and benefits from the Voluntary Wage Benefit Plan which provides benefits in lieu of unemployment compensation disability benefits provided for in the California Unemployment Insurance Code. On the 183rd day of absence and thereafter, the supplemental benefit described above shall be computed at 66 2/3 percent of the employee's basic weekly wage rate divided by five, less the offsets described above. (Amended 1-1-91 to apply to absences due to injuries occurring on or after 1-1-91) (Amended 1-1-00 to be applicable to employees sustaining injuries 1-1-00 or after)

(b) Any supplemental benefits paid during the first week of disability shall be considered as a credit against disability compensation which may be retroactively due under provisions of the Workers' Compensation and Insurance Chapters of the State Labor Code. Supplemental benefits paid for the first aggregate 182 days of absence shall be considered as a credit which may be applied to any permanent disability settlement. (Amended 1-1-91)

TITLE 111. VACATIONS

111.16 Unanticipated Vacation

Any combination of vacation hours, up to 16 per year, may be taken in increments of one hour or more, not to exceed six (6) consecutive hours at an employees option. However, for employees in crew-based classifications and employees who work alone supervisory approval is required. (Added 1-1-00)

TITLE 112. SICK LEAVE

112.16 FAMILY SICK LEAVE (Added 1-1-00)

(a) In any calendar year, a regular full or part time employee shall be permitted to use the employee's current available sick leave benefits, in an amount equal to the sick leave benefits that the employee would accrue for six months at his or her annual rate of entitlement, to attend to an illness of a child, parent, or spouse of the employee.

(b) All conditions and restrictions that apply to an employee's use of sick leave for his or her own illness shall apply to sick leave usage to attend to an illness of a child, parent, or spouse under this section.

(c) An employee's use of sick leave under this section does not extend the maximum period of leave to which the employee may be entitled under the California Family Rights Act or the Federal Family and Medical Leave Act.

For purpose of this section only, the following definitions shall apply:

(1) "Child" means a biological, foster, or adopted child, a stepchild, or a legal ward.

(2) "Parent" means a biological, foster, or adoptive parent, a stepparent, or a legal guardian.

TITLE 204. WAGES AND CLASSIFICATIONS

204.6 WAGE RATE - ASSIGNED LOWER CLASSIFICATION

(d) Employees who have received notice of displacement and vacate their base position by successful bid, transfer or who are displaced into a lower paying position will maintain their rate of pay for up to three years or until such time as the rate of pay in the new position is equal to or greater than that of the employee's frozen rate of pay, whichever comes first. If at the end of three years, an employee is still paid above the top of the rate for the classification held, the employee will be placed at the top of the rate for that classification. During the time that an employee's pay remains above the wage range of the position into which he/she bid, the employee will not receive General Wage Increases or Progressive Wage Increases. (Added 1-1-00)

TITLE 206. DEMOTION AND LAY OFF PROCEDURE

206.1 GENERAL RULES (REGULAR EMPLOYEES)

The provisions of this Title 206 which are applicable to employees with one continuous year of service in cases of displacement, demotion, or layoff due to lack of work or the return of an employee from leave of absence for Union business or military service shall be applied in such manner as to give effect to the following: (Amended 1-1-94).

(a) Employees shall be given as much notice as practicable of Company's proposed action. Following such notice, and prior to the date of the proposed action, employees to be affected by the procedure due to lack of work shall be considered as though they had already been demoted, and, notwithstanding the provisions of Title 205, have their bids to fill vacancies, in the normal Line of Progression, considered under the provisions of Section 206.9. Subsection 206.1(b) through Section 206.14 shall apply to employees being displaced or demoted due to lack of work or employees being displaced by another employee due to lack of work. (Amended 1-1-00)

(b) An employee's Service, as defined in Sections 106.3 shall be the determining factor in the application of this Title.

(c) Where a vacancy in an appropriate classification exists, the filling of such vacancy in accordance with the appropriate provisions of this Title shall be substituted for the displacing of another employee as provided herein. If such vacancies exist at more than one headquarters, Company shall provide an employee with a list of such vacancies and the location thereof. The employee may then elect to fill any of such vacancies. (Amended 1-1-0094)

(d) An employee may not elect to displace another employee whose Service is equal to or greater than his/her own. An employee may not displace an employee in a classification having a wage rate higher than that of his/her own classification except where such classification is considered to be the same in accordance with a Line of Progression as provided for the Title 600 and Exhibit IX - "Same Classifications" or where such classification is a beginners classification. (Amended 1-1-0094)

(e) Employees shall be demoted, displaced, laid off, or effect elections under the provisions of this Title on the basis of their regular classification, headquarters and Line of Progression at the time of any such action.

(f) In the application of the Title, an employee shall not be placed in a job unless qualified to perform the duties.

(g) In the application of this Title, part-time employees and intermittent employees are considered to be a different classification than full-time employees under the same job title. Part-time employees and intermittent employees will not be able to displace full-time employees, regardless of seniority. Part-time employees can only displace other part-time employees in the same or lower classifications within their normal Line of Progression. Intermittent employees can only displace other intermittent employees in the same or lower classifications within their normal Lines of Progression. (Added 1-1-88)

(h) No regular full-time employee will be displaced, demoted, or laid off due to the usage of part-time employees. Further, at a headquarters where Title 206 is to be implemented, all part-time employees shall be affected prior to regular full-time employees. (Added 1-1-91)

206.2 NOTICES

The following notices shall be given in connection with the demotion, displacement and layoff provisions of this Title: (Amended 1-1-00)

(a) Company will give all employees as much notice as possible of an impending displacement, but in no case less than 14 calendar days. Further, Company will give an employee who is to be demoted or displaced due to lack of work as much notice thereof as possible, but in no case less than 14 calendar days. as much notice

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thereof as possible. At the time of notification the employee will be advised of the classification to which the employee is to be demoted and provided with a list of the jobs and locations thereof to which any elections (vacancy or displacement of another employee) may be applied. (Amended 1-1-0094)

(b) Within twelve workdays after receipt of the list described in Subsection (a), the All employees will be given an opportunity to should notify the Company, through the completion of the employee option form, of his/her election to transfer and indicate the job locations in the order of his/her preference their preferential order in which Section 206.3 through 206.7 shall be administered. This information will be kept on file for use in any displacement action and may be updated by the employee at any time up to 2 days prior to the start of a displacement action. This notification Preferential consideration shall be given to employees in the order of their Service, while Company shall endeavor to give effect to an employee's preference in the order he/she has indicated. Length of Service shall be the determining factor where two or more employees express a preference for a single location. Company shall notify an employee as to the specific location to which such employee will be transferred. (Amended 1-1-00)

(c) An employee's failure to give the notice prescribed in Subsection (b) will operate to forfeit his/her right of election, result in the Company applying the following preference sequence: 1) 206.3 to immediate next lower classification; 2) regular sequence of consideration of 206.4 to Area, then Unit, then System; 3) 206.5 to Area and then Unit; 4) 206.6 to Area, then Unit, then System; and 5) 206.7 layoff. (Amended 1-1-0094)

(d) Any transfer resulting from the application of this Section will be made effective at any time after the expiration of ten workdays from the giving of the notice provided for in Subsection (a). (Amended 1-1-88)

(e) By agreement between Company and Union, the notice periods in this Section may be extended. (Added 1-1-91)

206.4 ELECTIONS TO CHANGE HEADQUARTERS OR DEPARTMENT

(a) **Elections to retain department:** An employee with three years or more of Service, who is to be demoted or displaced as provided in Section 206.3 has the following elections within his or her department: (Amended 1-1-00)

(1) may elect to displace that employee in the same classification and department within the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-91)

(2) may elect to displace that employee in the same classification and department within the Demotion Unit who has the least Service, or if no such election is available; (Amended 1-1-94)

(3) (5) may elect to displace that employee in the same classification and department in the System who has the least Service, or if no such election is available; (Amended 1-1-00)

(b) **Elections to change department:** An employee with three years or more of Service, who is to be demoted or displaced as provided in Section 206.3 also has the following elections: (Added 1-1-00)

(1) (3) may elect to displace that employee in the same classification in the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-0094)

(2) (4) may elect to displace that employee in the same classification in the Demotion Unit who has the least Service, or if no such election is available; (Amended 1-1-0094)

(5) may elect to displace that employee in the same classification and department in the System who has the least Service, or if no such election is available; (Deleted 1-1-00)

(3) (6) may elect to displace that employee in the same classification in the System who has the least Service. (Amended 1-1-0088)

(c) (b) An employee with less than three years of Service who is to be demoted or displaced as provided in Section 206.3 has the following elections: (Amended 1-1-00)

(1) may elect to displace that employee in the same classification and department within the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-91)

(2) may elect to displace that employee in the same classification and department within the Demotion Unit who has the least Service, or if no such election is available; (Amended 1-1-94)

(3) may elect to displace that employee in the same classification within the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-91)

(4) may elect to displace that employee in the same classification within the Demotion Unit who has the least Service. (Amended 1-1-94)

(d) (e) An employee who has been demoted or displaced, as provided in Section 206.3, before exercising the election provided by Subsection (a) hereof, may exercise such

elections as if the demotion has not occurred. (Amended 1-1-00)

(e) Under a systemwide application of Title 206, the three year service requirement under Sections 206.4 and 206.6 will be waived. (Added 1-1-00)

206.6 BUMPING EMPLOYEE IN BEGINNER'S JOB

(a) If the Company cannot effect a demotion or displacement of an employee in accordance with Section 206.3 and, in addition, such employee does not for any reason effect an election in accordance with Section 206.4 or 206.5, he/she may elect to displace that employee in the Demotion Area, in a beginning classification who has the least Service provided for which he/she meets the qualifications of the transfer. (Amended 1-1-0094)

(b) If the Company cannot effect a demotion or displacement of an employee in Subsection (a) hereof, such employee may elect to displace that employee in the Demotion Unit in a beginning classification, who has the least Service, provided for which the employee meets the qualifications of a transfer. (Amended 1-1-0094)

(c) If the Company cannot effect a demotion or displacement of an employee in Subsections (a) and (b) hereof, if the employee has been employed three years or more, such employee may elect to displace that employee in the Company in a beginning classification, who has the least Service, provided for which the employee meets the qualifications for a transfer. (Added 1-1-88) (Amended 1-1-00)

206.7 LAYOFF

(a) An employee can elect layoff in lieu of exercising options under 206.3, 206.4, 206.5 or 206.6. Further, if there is no job to which Company can demote an employee under Sections 206.3 or if the an employee who does not effect a displacement under any of the elections in Section 206.3, 206.4, 206.5, and 206.6, the employee will be laid off. (Amended 1-1-0094)

(b) An employee who is not affected by this Title may elect to take a layoff under this Title, without employing applications of Sections 206.1 through 206.6, thereby reducing the number of employees affected. Such employee shall have preferential rehire rights as provided under Section 206.13. This option for layoff is restricted to employees in impacted classifications and headquarters. (Added 1-1-00)

206.8 MOVING ALLOWANCE

(a) When an employee is displaced under the provisions of this Title because of lack of work at his/her headquarters, and the employee's new headquarters is beyond commutable distance from his/her residence, Company shall reimburse the employee for the reasonable costs incurred in connection with moving his/her household in a sum not to exceed \$2,400. (Amended 1-1-94)

(b) Reasonable costs as referenced above shall include and are restricted to: (Amended 1-1-94)

(1) Transportation of the employee and his/her immediate family to the new headquarters location (one trip only). (Amended 1-1-94)

(2) Meal and motel expenses for the above incurred on moving day when movers cannot complete the move on the same day. (Amended 1-1-94)

(3) Moving of furniture and household goods to the new residence. (Amended 1-1-94)

(4) Cost of containers to be used in moving less applicable credits for returned items, such as, barrels, wardrobes and boxes. (Amended 1-1-94)

(5) Reasonable insurance on furniture and household goods. (Amended 1-1-94)

(6) Installation of television antenna and cable connections. (Amended 1-1-94)

(7) Piping and wiring costs to accommodate moved appliances. (Amended 1-1-94)

(8) Reasonable costs of any kind and all non-refundable deposits and/or hook-up fees for water, garbage, telephone, gas and electric. (Amended 1-1-94)

All expenses not specifically covered above are excluded from payment under this Section. (Amended 1-1-94)

Although there is no time limit on when the move should occur, notice of intent to move must be filed by the employee within 90 days after his/her transfer in order to qualify for reimbursement of moving expenses outlined above. All requests for reimbursement for moving expenses must be presented together with proper receipts before payment can be granted. (Amended 1-1-00)

(c) "Beyond commutable distance," as used above, shall mean a new headquarters located more than 45 minutes or 30 miles from his/her present

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residence. (Amended 1-1-94)

(d) An employee is not required to move within a commutable distance (45 minutes or 30 miles) to become eligible for a moving allowance, but must move closer to the new headquarters to qualify. (Added 1-1-00)

206.9 ACCELERATED PROMOTION

For the purpose of enabling employees who have been demoted or transferred under the provisions of this Title, or to enable employees who have been on or are on Long-Term Disability status, to return to their former status (includes former classification and department and/or any other intermediate classification in the department and in the Line of Progression), on an accelerated basis, Company will give preferential consideration in the following sequence to the bids and transfer applications submitted by such employees on any job vacancy: (Amended 1-1-00)

(a) Bids and transfer applications submitted by employees who formerly worked in such job classification and headquarters, and who were transferred from such headquarters, demoted from such classification, or were placed on Long-Term Disability status from such headquarters. An employee's bid or transfer application shall not be considered under this Subsection if following demotion or transfer the employee has not exercised each opportunity available to return to a job in his/her former classification and headquarters. (Amended 1-1-91)

(b) Bids and transfer applications submitted by employees listed in Subsection (a) above who formerly worked in such job classification and Area. (Added 1-1-00)

(c) Bids and transfer applications submitted by employees listed in Subsection (a) above who formerly worked in such job classification. (Amended 1-1-00)

(d) Should an employee return to a classification and/or Line of Progression under the provisions of Section 206.13 other than one from which such employee was demoted, transferred or laid off, such placement shall not be considered as voluntarily removing himself/herself from the Line of Progression to which such employee would have accelerated promotional rights under the provisions of this Section. (Added 1-1-94) (Amended 1-1-00)

In considering, under Subsections (a), (b) or (c), bids or transfer applications received from two or more employees on the same job, Company shall give preferential consideration to the bid or transfer application submitted by the employee who has the greatest Service.

An employee who has been demoted or transferred under the provisions of this Title who thereafter voluntarily removes him/herself from the Line of Progression to which the employee was previously transferred or demoted shall not be given consideration under this Section. (Amended 1-1-91)

TITLE 207. MISCELLANEOUS

207.2 It is recognized that Company has the right to have work done by outside contractors. In the exercise of such right Company will not make a contract with any other firm or individual for the purpose of dispensing with the services of employees who are engaged in maintenance or operating work.

(a) Company shall only contract after all efforts are made to use qualified Company resources, including optimum use of voluntary overtime and consideration of General Construction personnel.

(b) Company shall not contract any work normally performed by the bargaining unit if such contracting is intended to reduce or has the effect of reducing the regular work force by attrition, demotion, displacement or layoff. Layoffs, demotions and displacements shall not originate in a department where Company is contracting work. Further, the total size of the bargaining unit in that department shall not be reduced by attrition in the system while such work is being contracted.

(c) De minimis contracting does not invoke the terms of this Section. De minimis is defined as contracting less than 2080 hours annually in a department at a headquarters where there is a minimum of 10 bargaining unit employees in the department at the headquarters.

In every instance where Company invokes the provisions of this Subsection, Company shall provide to the Local Union: 1) the name of the contractor, 2) a brief description of the work being contracted, 3) estimated number of hours of work being contracted, 4) the headquarters and department at which such contracting is to take place. This information is to be provided to the Local Union prior to the commencement of work by the contractor.

As a condition of the Contract with such contractor, Company agrees to require the contractor to provide to the Local Union information on the number of hours worked by such contractor. This information shall be provided to the Local Union on request.

If it is determined that the provisions of this Subsection have been violated in a department at a headquarters, such department at a headquarters shall be prohibited from further de minimis contracting for a period of 12 months thereafter.

(d) On a quarterly basis, Company shall provide to Union a listing of all employees covered by this Section, including name, social security number, date of hire, and department. Department designation for the list shall be as identified below. Company shall

immediately begin the process of filling positions that are vacated in a covered department. Company shall provide to the Local Union Business Representative documentation demonstrating Company is actively in the process of filling covered vacancies:

(e) The departments for the purpose of this Section are:

ELECTRIG	GAS
1. Transmission and Distribution	1. Transmission and Distribution
2. Substation Maintenance	2. Measurement and Control
3. Substation Operating	3. Service
4. Hydro Maintenance	4. Steam Heat
5. Hydro Operating	5. Plant Maintenance
6. Meter	6. Gas Meter Repair Facility
7. Office	
8. Hydro Clerical	
9. Telecommunications	

STEAM & NUCLEAR GENERATION	GAS SYSTEM
1. Operating	1. Maintenance
2. Electrical Maintenance	2. Operations
3. Mechanical Maintenance	
4. Technical Maintenance	
5. Clerical	

MATERIALS DISTRIBUTION	GENERAL SERVICES
1. Warehouse (including Central Distribution Center)	1. Garage
2. Pipeline Yard and Plant	2. Building Service
3. Machine Shop	3. Miscellaneous (Cooks, Housekeepers, Utilitymen)
4. Electric Utility and Hydro-electric Maintenance	

CUSTOMER SERVICES	WATER
1. Customer Services	1. Water

ACCOUNTING AND COMPUTER OPERATIONS
1. Customer Accounting

(f) When returning a non-unit employee who formerly was in the collective bargaining unit to a classification covered by Title 200 of the Physical Agreement, Company shall not demote, displace or layoff a current unit employee in the department receiving the non-unit employee. Additionally, for the purposes of Titles 205 and 206 only, such employee shall have a seniority date of their most recent re-entry into the bargaining unit. After the completion of one calendar year in the bargaining unit such employees shall utilize their employment date as defined by Title 106 for the purposes of Titles 205 and 206.

A non-unit employee who has never worked in the bargaining unit may not be placed into the bargaining unit by application of Section 206.10. (Entire Section Amended 1-1-94)

(Deleted 7-1-00)

TITLE 212. EMERGENCY DUTY

212.2(b) Annual and Weekly Sign-Up

In administering Subsection (a) above, Company shall establish a sign-up procedure whereby a form will be posted in each headquarters on Monday of each week soliciting voluntary sign-up overtime for the period of the following Friday at 4:30 p.m. through the next Friday at 8:00 a.m. The list should provide for sign-ups by classification. It is to be removed on Tuesday evening and reposted Wednesday afternoon showing the names of those who have volunteered by classification, with the employees having the least overtime accrued at the head of the list. Until quitting time on Thursday afternoon, employees whose names appear on the list will have the opportunity to remove themselves from the call-out roster or note in writing on the list that all contact information is correct. This open period will allow employees to reevaluate their commitment after they determine where they stand in the call-out sequence. Employees who do not take the opportunity to remove their names from the roster will be expected to meet the commitments of availability as described earlier in this interpretation. (Amended 1-1-00)

212.11(b) Grievance Settlements

When it has been determined by the Local Investigating Committee that the Company made a mistake in the administration of this procedure, the Company will pay the aggrieved employee for the time lost. However, if it has been determined that the employee contact information was incorrect, the Company will not be required to pay the employee for any time lost caused by incorrect contact information, on the call-out list furnished by the employee. (Amended 1-1-00)

PHYSICAL AGREEMENT

TITLE 301. EXPENSES - FIELD EMPLOYEES

301.3 RESIDENCE DEFINITION

An employee's Residence and Residence Area shall be determined and used to establish eligibility for expense allowances in accordance with the following:

(a) An employee's Residence is defined as the principal place of abode in the Company system in which the employee normally resides (1) on a regular basis and from which the employee commutes daily or weekly to work locations, or (2) one which the employee has a financial responsibility to maintain and to which the employee returns to live on most weekends while on work assignments at more distant job locations. An employee establishes a Residence by filing a Residence Certificate. Except employees hired after December 31, 1999, shall have their residence defined in 301.3.c.(2). (Amended 1-1-00)

(b) An employee's Residence Area is defined as a zone extending 25 road miles from the city hall of the city or town in which the employee's Residence is located. If the employee's Residence is not located in a city or town, the 25 road mile zone will be measured from the city hall of the city or town nearest to such Residence. If there is no city hall in the aforementioned city or town, the 25 road mile zone will be measured from the principal street intersection of the main business district.

(c) Per Diem Eligibility

(1) An employee who, prior to 1-1-88, is newly hired, rehired more than one year after layoff due to lack of work or rehired after any other type of termination must designate a Residence as defined in Subsection 301.3(a) or (d). However, this employee shall not be eligible for per diem expenses as provided in Section 301.4 until the employee is transferred to a job location more than 25 road miles from the city hall of the city or town in which the employee was hired or rehired. If the hiring or rehiring location is not established within the limits of a city or town, the 25 road miles will be measured from the city hall of the nearest city or town. If there is no city hall in the aforementioned city or town, the 25 road miles will be measured from the principal street intersection of the main business district.

(2) An employee who, after 12/31/87, is newly hired, rehired more than one year after layoff due to lack of work or rehired after any other type of termination must designate a Residence as defined in Subsection 301.3(a) or (d). An employee who is hired after December 31, 1999 shall have his/her Residence based on his/her hiring location or the location where that employee transfers or pre-bids to under Section 305.7. However, this these employees shall not be eligible for per diem expenses as provided in Section 301.4 until this these employees is are transferred: (Amended 1-1-00)

(i) to a location more than 50 road miles from the city hall of the city or town in which the employee was hired or rehired, so long as the employee continues to report to a job headquarters that is within the boundaries of the Promotion-Demotion Geographic Area in which such employee was hired or rehired, or

(ii) to a location more than 25 road miles from the city hall of the city or town in which the employee was hired or rehired and in a different Promotion-Demotion Geographic Area than that in which such employee was hired or rehired,

(iii) such employee shall not become eligible for per diem as a result of an exchange or rotation pursuant to Section 301.18 provided that the next transfer returns the employee to the original hiring area (as defined above), except that while the employee is working within a commuting distance (as defined in Subsection 301.18(b)) of such employee's residence area, the employee may receive per diem as provided in Section 301.4.

(iv) The Promotion-Demotion Geographic Area referenced in this Section are those contained in Exhibit II of this Agreement or as amended from time to time by agreement of Company and Union. (Entire Subsection Amended 1-1-88)

(d) Change of Residence

(1) An employee may change Residence as defined in Subsection 301.3(a) at any time; however, the employee may have only one Residence at a time. An employee who changes Residence under this Subsection must file a new Residence Certificate immediately. The new Residence Certificate will become effective on the date of the change of Residence, except employees hired after December 31, 1999. (Amended 1-1-00+)

(2) Since the payment of per diem expenses is based upon the location of the employee's Residence, the employee is vouching that the Residence Certificate does, in fact, identify a Residence (as defined in Subsection 301.3(a)) and not temporary living accommodations. Any employee who knowingly falsifies or delays filing such a Residence Certificate shall be required to reimburse the Company for any overpayment of per diem and shall be subject to disciplinary action, including discharge, except employees hired after December 31, 1999. (Amended 1-1-00+)

301.4(a) Expense Allowances

Subject to the provisions of this Title, employees who provide their own board and lodging shall be entitled to per diem expense allowance as follows:

(a) Each Scheduled day an employee works in the basic workweek or is prevented from performing such scheduled work by inclement weather conditions covered in the Title 303; each day an employee reports for prearranged or emergency work on a non-workday; holidays which fall on a workday in the basic workweek provided such an employee works on the adjacent workday or such day is also observed as a holiday pursuant to the

provisions of Title 103; each non-workday during which an employee is required to take more than four hours of travel time under the provisions of Section 301.11.

Road Miles from the City Hall
or Principal Intersection *
of Employee's Residence
to the Reporting Location

Zone	Road Miles	Amount of Per Diem
1	More than 25 but 35 or less	\$5.50 \$6.00
2	More than 35 but 45 or less	\$9.25 \$10.00
3	More than 45 but 55 or less	\$12.50 \$13.50
4	More than 55 but 65 or less	\$17.25 \$18.75
5	More than 65	\$22.25 \$24.25

(Amended 1/1/00)

301.11 Travel Allowance

(c) When transportation facilities therefore are not furnished by Company or other mode of transportation is not authorized in advance, reimbursement of transportation expense at ~~26 cents~~ the maximum non-taxable vehicle mileage allowance allowed by the IRS shall be made. (Amended 1/1/00)

TITLE 304. WAGES AND CLASSIFICATIONS

304.1 WAGE PROGRESSION

(c) An employee who is demoted due to lack of work to a classification in such employee's current Line of Progression having a lower top wage rate is entitled to the rate of pay previously held in the lower classification or the rate of pay in the lower classification equal to or next lower to his/her present rate of pay, whichever is higher. Employees with 24 months or more in their current classification who have received notice of displacement and vacate their base position by successful bid, transfer or who are displaced into a lower paying position will maintain their rate of pay for up to three years or until such time as the rate of pay is equal to or greater than that of the employee's frozen rate of pay, whichever comes first. If at the end of three years, an employee is still paid above the top of the rate for the classification. During the time that an employee's pay remains above the wage range of the position into which he/she bid, the employee will not receive General Wage Increases or Progressive Wage Increases. (Amended 1-1-00)

TITLE 500. TERM

500.1 TERM

This Agreement, having taken effect as of September 1, 1952, and having thereafter been amended from time to time shall continue in effect as further amended herein for the term of January 1, ~~1997~~ **2000** through December 31, ~~1999~~ **2002**, and shall continue thereafter from year to year unless written notice of termination shall be given by either party to the other 60 days prior to the end of the then current term. (Amended 1-1-0097)

500.3 GENERAL WAGE INCREASES

(a) Effective January 1, ~~1999~~ **2000** ~~1997~~, the basic wage rates established for January 1, ~~1999~~ **1996** in Exhibit X of this Agreement shall be increased by three ~~and one quarter~~ percent. (Amended 1-1-0097)

(b) Effective January 1, ~~2001~~ **1998**, the basic wage rates established for January 1, ~~2000~~ **1997** in Exhibit X of this Agreement shall be increased by three ~~and one quarter~~ percent. (Amended 1-1-0097)

(c) Effective January 1, ~~2002~~ **1999**, the basic wage rates established for January 1, ~~2001~~ **1998** in Exhibit X of this Agreement shall be increased by three ~~and one half~~ percent. (Amended 1-1-0097)

(d) (Deleted 1-1-97)

SECTION 600.1 - EXHIBIT VI GAS SERVICE DEPARTMENT

2210 Gas Service Representative

An employee who performs domestic and commercial service work such as gas and routine electric meter operations, gas regulator and monitor adjustments, appliance and control adjustments, diagnosing appliance problems and, when within the scope of the Company's service policy, making recommendations to the customer for correction, routine service to all types of gas burning equipment, "no-light" calls, electric part out and complete out calls, electric cut off at the weatherhead for non payment, installation and alteration of all domestic and commercial gas meter and regulator sets and installation and maintenance of domestic and commercial gas equipment. May squeeze off ("pinch-off") ruptured plastic

(Physical Agreement continued on Page 12)

PHYSICAL AGREEMENT

(Continued from Page 11)

services which are visible (and which can be accessed safely) to protect life and property; and may affix approved dead end fittings to squeezed-off plastic services or may install approved mechanical repair couplings to restore service immediately to customers where damage is such that no additional pipe is required to complete the repair. Shall maintain a high standard of public relations and personal appearance.

Cut off at the weatherhead for non payment will not be worked on over-time by Gas Service Representatives, Reserve Gas Service Representatives or Service Mechanics until the Title 208 and Title 212 lists have been exhausted for the Troubleman classification. The Gas Service Representatives may do this work on over-time on a de minimis basis, for example, where over-time assignments involve an extension of a regular work day to complete work same day.

Additional Qualifications - Gas Service Representative and Reserve Gas Service Representative

The Gas Service Training Program will be expanded to include electric cuts at the weatherhead in the electric service section. All Gas Service Representatives will be required to attend the Electric Service Training. The Electric Service Training will consist of both classroom and on the job training with a Troubleman at or near the Gas Service Representatives Headquarters which will be such as to qualify the employee to perform the additional electric service work. The Electric Service Training will be reviewed and agreed to by the J.A.T.C. Those incumbents who fail the training program will not be required to perform the additional electric service work.

All new Gas Service Reps. who are placed into the position after agreement on the training program will be required to pass the revised training program. All current Gas Service Representatives, Reserve Gas Service Representatives, Relief Service Operators and Service Mechanics volunteering to attend the Electric Service Training are required to pass prior to performing the additional work. Those who fail the training program will not be required to perform the additional electric service work.

NOTES: 1. In all types of work, Gas Service Representative will not be required to perform any function that would create a hazard to life or property or exceed the capability of manpower, tools or equipment available.

2. See LA 91-74 on page 17.

3. No current Troublemans, Gas Service Representatives, Reserve Gas Service Representatives, Service Mechanics, or Relief Service Operators will be displaced as a result of the agreement reached in 1999 General Negotiations and included in the 1999 General Negotiations cover letter. Incumbents in these classifications on December 31, 1999 will maintain their wage and classification, unless they voluntarily vacate their position. Both parties recognize that there may be other conditions outside of this agreement that independently may affect the number of employees in these classifications. If conditions outside this agreement would result in reductions in a headquarters, the parties agree to meet and discuss the following: (1) the impact on this agreement (2) moving the work back to the original classifications.

2785 Meter Reader

A Meter Reader is an employee assigned a route of meter locations. Each meter location is visited, the meter number checked and meter dials read and recorded. Any unusual or abnormal conditions observed are reported. Meter Readers may perform electric change of party reads, gas change of party reads (non-entry, gas found on) and RGSO (reads only) and Special meter reads in conjunction with or in lieu of reading an assigned route with the exception of Class II adjustment reads. Completed work is submitted at the office and other related work is performed as assigned. The following conditions are to be observed when assigning other related work: (a) Training is provided. (b) Meter Readers can safely perform their job duties. (c) Meter Readers will not be routinely assigned work which falls within the job description of another classification, and when additional work is assigned, route sizes are taken into account. (d) It is part of a Meter Reader's job to return to accounts missed by such Meter Reader. (e) Whenever a Meter Reader is given Senior Meter Reader job duties they will be paid at the higher rate for a minimum of two (2) hours. (f) If Union believes that additional "other related work" merits an inequity adjustment to the Meter Reader wage rate, Company agrees to negotiate on an interim basis.

Electric change of party reads, gas change of party reads (non-entry, gas found on) and RGSO (reads only), will not be worked on over-time by Meter Reader until the Title 208 and 212 lists have been exhausted for Reserve Gas Service Representatives, Gas Service Representatives, Service Mechanics and Troubleman classifications. The Meter Reader may do this work on over-time on a de minimis basis, for example, where over-time assignments involve an extension of a regular work day to complete work same day.

2782 Senior Meter Reader

The duties of the Senior Meter Reader position, which are subject to the grievance procedure, include the following: (a) Training (office and field as assigned). Electronic meter reading device training, other than training by General Office and Regional staff project teams, is within the duties of the Senior Meter Reader classification. (b) Access arrangements (office and field; pesticide access; meter reader postcard and plastic card appointments and reads). In conjunction with access arrangements, it is proper to have a Senior Meter Reader pull electric meters to make

visual inspection for irregularities and seal the meter with a security locking ring or other appropriate sealing devices. (c) Clerical duties as assigned and field duties as assigned for rerouting and reserialization (final decision reserved to management; includes new account numbers and individual route inspection). (d) Reading any route when deemed necessary. (e) Perform electric change of party reads, gas change of party reads (non-entry, gas found on), RGSO (reads only), and electric meter shut off single phase. (f) Maintain records and post standard reports. (g) Other related bargaining unit work as assigned. (h) Plan and organize Meter Reader work assignments as assigned. (i) Field verification of high bill inquiries and possible meter reading errors (re-read: no customer contact except to explain on how to read a meter). (j) Type I, II, and III audits. Senior Meter Readers will not make recommendation for disciplinary action based on results of the audits. (k) Personal computer work associated with Electronic Meter Reading to the extent that such work encompasses Senior Meter Reader functions as set forth in this Exhibit. (L) A Senior Meter Reader shall have the personal qualifications of leadership and supervisory ability.

Electric change of party reads, gas change of party reads (non-entry, gas found on), RGSO (reads only), and electric meter shut off single phase will not be worked on over-time by Senior Meter Reader until the Title 208 and 212 lists have been exhausted for Reserve Gas Service Representatives, Gas Service Representatives, Service Mechanics and Troubleman classifications. The Sr. Meter Reader may do this work on over-time on a de minimis basis, for example, where over-time assignments involve an extension of a regular work day to complete work same day.

SECTION 600.12 - EXHIBIT VI-L ELECTRIC TRANSMISSION AND DISTRIBUTION

2540 Troubleman

An employee who has the craft qualifications of and two years experience as a Lineman and performs alone any work that does not exceed an employees ability or the available tools and equipment, in connection with providing, maintaining and restoring service to the public, either overhead or underground, such as installing services and all types of meters, replacing line and equipment fuses, patrolling, switching, restoring service on "no light" and "no power" calls, servicing and repairing customers' equipment, operating unattended substations, operation of previously manned substations, substation reads and status reports, maintenance of substation, adjusting or changing external settings on automatic line equipment, such as Regulators, Reclosures, or Capacitors, handling routine gas maintenance, operation, and complaints; testing, adjusting, or changing internal and external settings on Automatic Line Equipment, battery replacement, installing and programming controllers and other devices, operation of SCADA controlled equipment, Power Quality work such as equipment programming and analysis of Power Quality tests, and R.T.V.I. investigations; may be required to collect deposits and bills. In trouble and emergency work involving immediate hazard to life or property, may be required to work alone to cut circuits over 600 volts in the clear.

NOTE: No current Troublemans, Gas Service Representatives, Reserve Gas Service Representatives, Service Mechanics, or Relief Service Operators will be displaced as a result of the agreement reached in 1999 General Negotiations and included in the 1999 General Negotiations cover letter. Incumbents in these classifications on December 31, 1999 will maintain their wage and classification, unless they voluntarily vacate their position. Both parties recognize that there may be other conditions outside of this agreement that independently may affect the number of employees in these classifications. If conditions outside this agreement would result in reductions in a headquarters, the parties agree to meet and discuss the following: (1) the impact on this agreement (2) moving the work back to the original classifications.

SECTION 600.12 - EXHIBIT VI-L ELECTRIC MAINTENANCE DEPARTMENT

XXXX Telecommunication Utility Worker

An employee who, under the general direction of a Telecommunication Technician or higher, is engaged in moves, adds, and changes of telecommunication equipment. The employee shall have the ability to install and terminate telecommunications wire, cable, and fiber, install equipment racks, shelves and earthquake bracing, install single and multi-line telephones and key telephone equipment, including program station changes, install microwave antennas and transmission lines.

Under general direction from Telecommunication Technicians or higher, install and remove land mobile radios, verify operation; may perform repetitive and non-diagnostic work, including programming. Under general direction from Telecommunication Technicians or higher, install, move, and make simple connections to Desk-top PC's.

Assist Telecommunication Technicians in equipment/system testing; perform housekeeping in telecommunication areas; communicate oral and written English satisfactorily; use hand and power tools.

PHYSICAL AGREEMENT

Beginner' Classification

The 2000 wage schedule for this classification would be:

0925 Utility Worker

Start	\$619.90
End 6 Mo.	\$697.95
End 1 Yr.	\$775.65
End 18 Mo.	\$853.60

Entry Requirements: Physical Pre-Employment Test Battery (PPT)

The Company and Union agreed that no Telecommunications Technician (T200) or Communication Technician (T300) will be displaced, demoted or laid off as a result of establishing the Telecommunication Utility Worker position. In the event Title 206 or 306 is to be implemented, all Telecommunication Utility Workers shall be affected prior to Telecommunication Technicians or Communication Technicians.

The Company cannot exceed the ratio of one Telecommunication Technician Utility Worker to ten Telecommunications Technicians.

EXHIBIT XIV

LETTER AGREEMENT No. 93-42-PGE

May 18, 1993

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

In response to Union's concerns for job security and the Company's need to continue modifying the workforce to be more competitive, Company proposes to establish a Severance Program effective the date of ratification through the term of the agreement effective January 1, 1994.

This agreement will apply to Title 200 employees of the Physical Agreement and employees covered by the Clerical Agreement. Employees with less than one year of service will not be eligible for the severance program.

In the event the Company determines that a permanent downsizing of Title 300 employees is required; Application I will apply to those affected employees.

Application I

- A: Company determines the department, headquarters, classifications and number of employees to be affected.
- B: Those employees in department, headquarters and classifications to be affected will be offered the severance package. The senior volunteers electing to accept the offer will receive the severance package, except that the number of employees receiving the severance package will not exceed the number of employees Company has determined will be affected under A. above.
- C: Such employees who elect the severance package under Application I are considered to have resigned their employment with the Company and therefore have no preferential rehire rights nor would their service be bridged if rehired.

Application II

- A: If there are insufficient volunteers under Application I, the normal displacement and layoff provisions of the IBEW Labor Agreements will be effected.
- B: Employees laid off pursuant to Sections 19.7 of the Clerical Agreement and 206.7 of the Physical Agreement will receive the Severance Package as defined below:

Package

- A: Four weeks pay (base classification) plus one weeks' pay for each year of service.
- B: In no event will the payment exceed one year's base salary.
- C: A lump sum payment of \$4,500 to partially offset GOBRA and life insurance

conversion coverage. The employee has no obligation to use it for GOBRA conversion or continued life insurance coverage.

- D: Payment is dependent on the signing of the Severance Agreement and Release (Attachment 1).

If you are in accord with the foregoing and attachment and agree thereto, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Yours very truly,

PACIFIC GAS & ELECTRIC COMPANY

By: s/David J. Bergman
Director and Chief Negotiator

The Union is in accord with the foregoing and it agrees thereto as of the date hereof.

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

By: _____ October 8, 1993
s/Jack McNally
Business Manager

ATTACHMENT I SEVERANCE AGREEMENT AND RELEASE

This Severance Agreement and Release is made and entered into between

_____ and the Pacific Gas and Electric Company (PG&E), Mr./Ms. _____ and PG&E

(collectively referred to as "the parties"), in their wish to compromise, resolve, settle, and terminate any dispute or claim between them with respect to Mr./Ms. _____'s employment with PG&E and severance therefrom, have agreed as follows:

1. Effective close of business, _____ 1993, Mr./Ms. _____ shall resign from PG&E employment.
2. On _____ 1993, PG&E shall pay to Mr./Ms. _____ the amount of _____ Dollars (\$ _____), less applicable deductions. If Mr./Ms. _____ is rehired within 30 calendar days of layoff, they PG&E's obligation to pay is null and void. The parties understand and agree that the payment provided in this paragraph is in addition to, and does not affect, any payment and benefit to which Mr./Ms. may be otherwise entitled under PG&E's compensation, performance incentive, stock option, and other benefit programs.
3. In consideration for the payment and benefit which PG&E shall provide Mr./Ms. _____ under this Severance Agreement and Release, Mr./Ms. _____, in behalf of himself/herself, his/her heirs, estate, executors, administrators, successors, and assigns, releases and agrees to hold harmless PG&E, its officers, attorneys, agents, employees, assigns, subsidiaries, affiliated companies, and successors, from all actions, causes of action, claims, disputes, judgments, obligations, damages, liabilities of whatsoever kind and character, relating to Mr./Ms. _____'s employment with PG&E, including his/her employment severance and any action which led to the severance. Specifically, Mr./Ms. understands and agrees that the actions, causes of action, claims, disputes, judgments, obligations, damages, and liabilities covered by the preceding sentence include, but are not limited to, those arising under any federal, state, or local law, regulation, or order relating to civil rights (including employment discrimination on the basis of race, color, religion, age, sex, national origin, ancestry, physical handicap, medical condition, veteran status, marital status, and sexual orientation) wage and hour, labor, contract, or tort.
4. Mr./Ms. _____ understands and agrees that this Severance Agreement and Release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and all rights under Section 1542 of the California Civil Code are hereby expressly waived. Such section reads as follows:
A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor.

ATTACHMENT I: Severance Agreement and Release (continued)

5. Mr./Ms. _____ agrees not to initiate, participate or aid, in any way, in any

(Physical Agreement continued on Page 14)

PHYSICAL AGREEMENT

(Continued from Page 13)

lawsuit or proceeding upon any claim released by him/her under paragraphs 4 and 5. Mr./Ms. _____ understands and agrees that, if he/she violates his/her promise in the preceding sentence, he/she has engaged in a material breach of this Severance Agreement and Release. This paragraph, however, shall not prohibit Mr./Ms. _____ from participating in an Equal Employment Opportunity Commission age discrimination investigation or proceeding, if requested to do so by the Equal Employment Opportunity Commission. In the event of a Commission request, Mr./Ms. _____ shall notify PG&E of such request. Notwithstanding the foregoing, if Mr./Ms. obtains against PG&E a monetary judgment or settlement for a claim released by him/her under paragraphs 4 and 5, the payment he/she received under this Agreement and Release shall be deducted from any such monetary judgment or settlement.

6. Mr./Ms. _____ agrees not to use, disclose, publicize, or circulate any confidential or proprietary information concerning PG&E, its subsidiaries or affiliates, which has come to his/her attention during his/her employment with PG&E, unless authorized in writing by PG&E or required by law. Before making any legally required disclosure, Mr./Ms. _____ shall give PG&E as much advance notice as possible. Mr./Ms. _____ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.

7. Mr./Ms. _____ agrees that, if he/she engages in a material breach of this Severance Agreement and Release, he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release within seven (7) calendar days upon written demand by PG&E. Mr./Ms. _____ further understands and agrees that, if he/she later disavows this Agreement and Release and if this Severance Agreement and Release is ordered to be unenforceable by a court of competent jurisdiction, he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release within seven (7) calendar days from the entry of the final court order. In addition, Mr./Ms. _____ understands and agrees that, if a court of competent jurisdiction, however, rejects his/her attempt to disavow this Severance Agreement and Release, he/she shall pay to PG&E within seven (7) calendar days from the entry of the final court order any loss, cost, damage, or expense, including, without limitation, attorney's fees PG&E incurred in enforcing the Severance Agreement and Release.

ATTACHMENT I: Severance Agreement and Release (continued)

8. This Severance Agreement and Release shall not be considered an admission of liability or a violation of any applicable contract, law, rule, regulation, or order of any kind.

9. Mr./Ms. _____ understands and agrees that all claims he/she may have arising under the Age Discrimination in Employment Act before he/she signs this Severance Agreement and Release are covered by paragraphs 4 and 5 of this Severance Agreement and Release and that his/her waiver of those age discrimination claims is an integral part of the release aspect of this agreement. Therefore, consistent with the Older Workers Benefit Protection Act, Mr./Ms. _____ states that he/she was given this Severance Agreement and Release on 1993, and understands that he/she has 45 calendar days from 1993, (until _____, 1993), to consider this Severance Agreement and Release. Further, Mr./Ms. _____ understands that, if he/she signs this Severance Agreement and Release, he/she may revoke it within seven (7) calendar days of the agreement's execution. To revoke this Severance Agreement and Release, Mr./Ms. _____ must submit to _____, signed statement to that effect by close of business of the seventh (7th) day. Mr./Ms. _____ Understands and agrees that this Severance Agreement and Release will not take effect until the expiration of the seven-day revocation period.

10. This Severance Agreement and Release sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter of this Severance Agreement and Release.

11. Mr./Ms. _____ states that he/she has read this Severance Agreement and Release in its entirety, that he/she has been given the necessary time to consider its contents, that he/she fully understands its terms, that he/she has been advised that he/she should consult legal counsel of his/her choosing, that the only promises made to him/her to sign are those stated herein, and that he/she is signing this Severance Agreement and Release voluntarily.

PLEASE READ CAREFULLY. THIS SEVERANCE AGREEMENT AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

PACIFIC GAS AND ELECTRIC COMPANY EMPLOYEE

DATE

DATE

SEVERANCE

A. Application

Employees laid off pursuant of Section 206.7 and 306.7 of the Physical Agreement will receive the Severance Package as defined below.

Title 200 employees with less than one year of service will not be eligible for the severance program. Title 300 employees with less than two years of service will not be eligible for the severance program.

B. Formula

- Four weeks pay (base classification) plus two weeks' pay for each year of service.
- A lump sum payment of \$5,000 to partially off set COBRA and life insurance conversion coverage. The employee has no obligation to use it for COBRA conversion or continued life insurance coverage.
- Payment is dependent on signing of the agreed to Severance Agreement and Release.
- Employees who are rehired, pursuant to Sections 206.13 and 306.14 of the Physical Agreement, within 12 months of lay-off and are subsequently laid off for lack of work within 12 months of being rehired will receive a prorated severance. The prorated severance amount will be equal to the difference between the severance amount(s) the employee previously received and the severance amount calculated using the employee's current years of service.

Exhibit XVI (Applicable to Title 200 and 300)

It is recognized that Company has the right to have work done by outside contractors. Company will not make a contract with any other firm or individual for the purpose or with the effect of dispensing with the services of employees who are engaged in maintenance, operating or construction work.

It is the general intent of the parties to have bargaining unit employees perform bargaining unit work.

In the exercise of the right to contract work, Company shall observe the provisions of this exhibit.

94-53 Committee

- An eight person 94-53 committee shall be established consisting of four individuals appointed by each party.
- The committee shall meet at least quarterly; however, either party may call for a meeting.
- The purposes of the committee are to (1) assure compliance with this agreement; (2) assure appropriate steps are taken prior to contracting of work in a department; (3) assure compliance with this agreement prior to the utilization of the lack of work provisions of Title 206 or 306 in any department; and (4) review all contracting out of bargaining unit work.

Pre-Contracting Out Provisions

- Prior to contracting out work normally performed by the bargaining unit Company shall perform such work by the use of optimum use of voluntary overtime if at all possible. This shall be defined as being able to accomplish the work with the utilization of bargaining unit employees on a straight time and overtime basis if the work can be accomplished in a reasonable time frame.
- Exhaust the provisions of 206.13 and 306.14.
- Assure no use of contracting or hiring hall personnel has occurred within twelve months of any involuntary layoff in a department or have the number of regular bargaining unit positions brought up to the level in place prior to such involuntary layoff.

Pre Title 206 or 306 Provisions

Prior to the use of the lack of work provisions of Title 206 or 306 that will result in involuntary layoff Company shall first:

- Meet with the Union to discuss the possible use of such provisions and assure compliance with the Agreement.

PHYSICAL AGREEMENT

2. Eliminate all use of contracting and hiring hall personnel on a system-wide basis in the affected department initiating involuntary layoffs.
3. In the event an employee is displaced into or displaced out of a department using hiring hall employees, a listing of hiring hall positions will be provided to such displaced employees. A list of Hiring Hall positions, if desired, will be provided to displaced employees subsequent to their 206 or 306 assignment. Such displaced employees will be given seven calendar days to prioritize the hiring hall positions if elected. Assignments into the prioritized positions will be based on seniority and qualifications. However, this will not result in an employee being placed into a classification having a higher wage rate as provided for in Sections 206.1 and 306.1.
4. In the event an employee is displaced into a department that is contracting, the following will apply: Departments included in Letter Agreement 95-54 will be required to absorb the displaced employee or cease contracting before executing subsequent displacements. Those departments not included in Letter Agreement 95-54 that are impacted by displacements may continue the displacement process regardless of contracting status.

Prior to the use of the lack of work provisions of Title 206 and 306 that will not result in involuntary layoff Company shall first:

1. Meet with the union to discuss the possible use of such provisions and assure compliance with the Agreement.
2. Eliminate all use of contracting and hiring hall in that department.

Departmental Contracting Out of Work Provisions

1. All contractors will pay employees prevailing wage as defined by California Labor Code Part 7, Chapter 1, Article 2, Section 1770, 1773 and 1773.1. Further, the parties continue to encourage use of IBEW and union friendly contractors.
2. Company will maintain accurate records for all hours worked by bargaining unit employees and hiring hall employees on a departmental basis.
3. Company is to assure that all contractors furnish, on a departmental basis, all hours worked by contractor employees and submit a certified copy of their payroll, including benefits, for each pay period. Failure on the part of the Company or contractor to comply with this agreement shall result in immediate cancellation of the contract between the Company and the contractor.
4. Inspection of work contracted out will be performed by regular bargaining unit employees consistent with current practices including provisions of 95-54 and pole replacement work.
5. On a quarterly basis, Company shall hire additional bargaining unit employees in the event hours worked by hiring hall personnel and contractors exceed 20% of the total numbers of hours worked by bargaining unit employees for the previous twelve months. The number of employees to be hired will be equivalent to the numbers of hours worked by contractors and hiring hall personnel in excess of 20% divided by 2080.
6. On a quarterly basis, the bargaining unit may only be reduced by attrition when the utilization of contract and hiring hall personnel has been at a 10% or lower ratio for the prior twelve months in that department, with the exception of Gas and Electric T&D which maybe at a 15% or lower ratio for the prior twelve months.

Department for this Exhibit

The departments for the purpose of this exhibit are:

Title 200 and 300

1. Gas T&D (Title 200 and 300)
2. Electric T&D (Title 200 and 300)

Title 200

1. Electric Transmission
2. Electric Substation Maintenance
3. Substation Operations
4. Hydro Maintenance
5. Hydro Operating
6. Electric Meter
7. Electric Office
8. Hydro Clerical
9. Telecommunications
10. Gas M&C
11. Gas Service
12. Gas Meter Repair
13. Water
14. Materials Warehouse
15. Material Pipe Line Yard & Plant
16. Materials Machine Shop

17. Materials Electric Utility & Hydro Maintenance
18. General Services Garage
19. General Services Building Services
20. Accounting & Computer Operations
21. Steam Operating
22. Steam Electrical Maintenance
23. Steam Mechanical Maintenance
24. Steam Technical Maintenance
25. Steam Clerical
26. Steam Firewatch
27. Gas System Maintenance
28. Gas System Operations

Title 300

1. Fleet
2. Clerical
3. Station, Substation and Hydro Construction

General Provisions

1. Unless otherwise agreed to by the parties, or either party exercise their cancellation rights, letter agreements 91-20, 92-56, 96-107, 97-53 and 95-60 shall remain in effect.
2. Gas Service Department including Meter Readers fall under the provisions of Section 24.5, of the Clerical Agreement.
3. The parties will meet to discuss special circumstances such as the current needs in Substation Construction where an exemption to the percentages detailed in "Departmental Contracting Out of Work Provisions" items 5 and 6 are needed.
4. If incidental contracting occurs without impact to the bargaining unit the provisions of this agreement will not be considered violated. The hours of the incidental contracting are counted toward the total contracting in the department.

(End of Physical Agreement modifications)

CLERICAL AGREEMENT

ATTACHMENT B CLERICAL AGREEMENT

ATTACHMENT B CLERICAL AGREEMENT

TITLE 2. RECOGNITION

2.3 SUCCESSOR (Added 1-1-00)

(a) (1) Any parent or affiliated company of the Pacific Gas and Electric Company that acquires any property or facility at which employees covered by this Agreement have regularly assigned jobs ("Affiliated Acquiring Entity") shall offer employment to all such covered employees, up to the number of such employees that the Affiliated Acquiring Entity determines are necessary to operate the property or facility, under the terms and conditions contained in this Agreement except as to those specific benefits that the Affiliated Acquiring Entity cannot offer. For such benefits, the Affiliated Acquiring Entity shall offer alternate benefits of comparable value and coverage.

(a) (2) In addition to the obligation to offer employment as required in (a) (1) above, an Affiliated Acquiring Entity shall adopt this agreement or alternate terms and conditions of employment mutually acceptable to the Affiliated Acquiring Entity and Union.

(b) (1) An entity not affiliated with Pacific Gas and Electric Company that acquires any property or facility at which employees covered by this Agreement have regularly assigned jobs ("Non-affiliated Acquiring Entity") shall offer employment to covered employees, up to the number of such employees that the Non-affiliated Acquiring Entity determines are necessary to operate the property or facility, at the terms and conditions contained in this Agreement; except as to those specific benefits that the Non-affiliated Acquiring Entity cannot offer. For such benefits, the Non-affiliated Acquiring Entity shall offer alternate benefits of comparable value and coverage.

(b) (2) In addition to the obligation to offer employment as required in (b) (1) above, the Non-Affiliated Acquiring Entity shall maintain the same or comparable terms and conditions of employment applicable to covered employees hired by the Non-Affiliated Acquiring Entity for a period that is not less than the unexpired term of this Agreement that is in effect as of the date such employees are hired by the Non-Affiliated Acquiring Entity.

(c) This section shall only apply to an acquiring entity that intends to operate the property or facility in the same or substantially the same manner as the Pacific Gas and Electric Company operates the property or facility immediately prior to its acquisition.

(d) The Pacific Gas and Electric Company shall include the obligations set forth in sections (a) or (b) above in any transfer or sale agreement, as provided in section (a) or (b) above, with an acquiring entity of its property or facility. For any property or facility that is subject to Public Utilities Code section 363, the obligations set forth in sections (a) or (b) shall commence at the end of the applicable operating and maintenance period. The only claim the Union may have against Company under this section is for the Company's failure to include in the transfer or sale agreement the obligation set forth in Section (a) or (b) above.

TITLE 7. SICK LEAVE

7.16 FAMILY SICK LEAVE (Added 1-1-00)

(a) In any calendar year, a regular full or part time employee shall be permitted to use the employee's current available sick leave benefits, in an amount equal to the sick leave benefits that the employee would accrue for six months at his or her annual rate of entitlement, to attend to an illness of a child, parent, or spouse of the employee.

(b) All conditions and restrictions that apply to an employee's use of sick leave for his or her own illness shall apply to sick leave usage to attend to an illness of a child, parent, or spouse under this section.

(c) An employee's use of sick leave under this section does not extend the maximum period of leave to which the employee may be entitled under the California Family Rights Act or the Federal Family and Medical Leave Act.

For purpose of this section only, the following definitions shall apply:

(1) "Child" means a biological, foster, or adopted child, a stepchild, or a legal ward.

(2) "Parent" means a biological, foster, or adoptive parent, a

stepparent, or a legal guardian.

TITLE 8. VACATIONS

8.15 Unanticipated Vacation

Any combination of vacation hours, up to 24 per year for full time employees and 16 per year for part-time employees, may be taken in increments of one hour or more, not to exceed six (6) consecutive hours, at an employees option. (Amended 1-1-00)

TITLE 9. GRIEVANCE PROCEDURE

9.3 TIME LIMITS

(a) Filing

It is the intent of Company, Union and the employees that timely filed grievances shall be settled promptly. (i) A local grievance is timely filed (ii) when submitted by the Union Business Representative or his/her alternate (hereinafter either is referred to as "Business Representative") in writing on the form adopted for such purpose to the Director, HR Service Center, 245 Market Street, San Francisco Division or Department Human Resources Manager or his/her alternate (hereinafter either is referred to as "Human Resources Advisor Manager"); or (ii) a Business Manager grievance is timely filed when submitted by Union's Business Manager to Company's Industrial Relations Manager and (iii) within the following time periods: (Amended 1-1-009+)

(1) A grievance which involves the discharge of an employee must be filed not later than 14 calendar days after the employee is notified in writing of the discharge. Whether or not a grievance is filed, Company shall, at Union's request, state in writing the reasons therefore within two workdays of such request. (Amended 1-1-91)

(2) A grievance which does not involve the grievant's discharge must be filed not later than 30 calendar days after the date of the action complained of, or the date the employee became aware of the incident which is the basis for the grievance, whichever is later. The Company shall, at Union's request, state in writing the reason for an employee's discipline, demotion or suspension within seven calendar days of receipt of such request by Union.

(3) Business Manager grievances which may be filed pursuant to (a)(ii) above shall concern contractual interpretation matters which have system-wide or classification wide implications. Business Manager grievances shall not involve an employee's discharge, demotion, discipline, promotion, demotion or transfer. (Added 1-1-00)

(b) Steps One Through Five Extension of Time Limits

Either the Company or Union members of any of the Committees provided for in each of the following grievance Steps One through Five may, if they agree that further determination of fact is required, request an extension of time which may be granted by the other. In no event shall any extension by either or both parties exceed one additional time period provided for at the step where the extension is granted.

9.6 STEPS

STEP ONE SHOP STEWARDS

Except for disputes involving an employee's discharge, demotion, suspension, discipline or qualifications for promotion or transfer, the initial step in the adjustment of a grievance shall be a discussion between Union's shop steward (or grievant or Business Representative if no shop steward is assigned to the work area) and the foreman or other immediate supervisor directly involved. The foreman and shop steward may discuss the grievance with the general foreman or other supervisor of corresponding authority. The purpose of such discussion shall be to reach a satisfactory disposition of the grievance but shall not waive or delay the filing requirements set forth in Section 9.3 above. Discussions shall be at such time and place as not to interfere with the work then in progress. (Amended 1-1-91)

Shop stewards shall be employees of Company, and Union may designate as many shop stewards as it deems necessary for the proper administration of its affairs and for the administration of the provisions of this Agreement.

STEP TWO LOCAL INVESTIGATING COMMITTEE

Immediately following the filing of a timely grievance, a Local Investigating Committee will be established. The Committee will be composed of the Human Resources Advisor Manager, the Business Representative, the exempt supervisor whose decision is involved in the grievance, and the shop steward representing the department involved. (Amended 1-1-009+)

(1) The Human Resources Advisor Manager and Business Representative will arrange for meetings of the Committee at times and places convenient for the persons involved. (Amended 1-1-009+)

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(2) The Committee shall meet as soon as reasonably possible and shall make a full and complete investigation of all of the factors pertinent to the grievance. If necessary to gain all of the information required to resolve the grievance, the Committee may hold investigative interviews with other persons involved in the dispute. Except for good cause to the contrary, the grievant shall be permitted to be present during these interviews. The grievant will not be a party to the disposition of the grievance, nor is the grievant's concurrence required for the Committee to reach a settlement of the grievance. Grievant, however, does have the right to point out the existence of other facts or witnesses favorable to grievant's case.

Notwithstanding the foregoing prohibition, with the written consent of the Union's Business Manager, or designee, the members of the Local Investigating Committee may include the grievant where such employee is also the shop steward representing the department involved in the grievance. In this limited situation, the shop steward/grievant may be a party to the disposition of the grievance. (Amended 1-1-91)

(3) (a) Within 30 calendar days following the filing of a grievance which does not concern an employee's qualifications for promotion or transfer (except as provided in the next paragraph for Inter-regional or General Office Departmental prebids or transfer applications), or the employee's demotion, suspension or termination of employment, the Local Investigating Committee shall prepare a report of its findings, which shall include: (i) a mutually agreed-to brief narration of all the events and factors involved in the dispute, and (ii) the Committee's mutually agreed-to findings with respect thereto. If the Committee has reached an agreeable disposition of the grievance, the report shall also contain a statement to that effect and the reasons therefore. (Amended 1-1-88)

Inter-regional or General Office Departmental prebids or transfer applications shall be subject to the further limitation, however, that the report of the employee's present Regional or General Office Departmental Local Investigating Committee shall be forwarded within 15 calendar days from the date a report was requested by the bypassing Region or General Office Department and further, the latter Committee must dispose of the grievance, in the manner described above, no later than 15 calendar days thereafter. (Amended 1-1-88)

If the grievance is not resolved in 30 calendar days following its being timely filed, either Company or Union may request "Certification to Fact Finding" for a local grievance or referral to the Review Committee for a Business Manager's Grievance. If "Certification to Fact Finding" is not requested by either party, the grievance shall be automatically referred to the Region or General Office Department Joint Grievance Committee. (Amended 1-1-0088)

The referral in either event shall be accompanied by the report referred to above. The referral shall also include either an agreed-to summary or separate summaries of the reasons (facts or factors in dispute) why the Local Investigating Committee could not resolve the grievance.

If either party requests "Certification to Fact Finding," copies of the report and the request shall be forwarded to the Chairman and the Secretary of the Review Committee. If the Chairman and the Secretary of the Review Committee have rejected referral of the grievance to Fact Finding within seven calendar days following receipt of the request, or if the request is not received within the seven calendar days following the expiration of time limits stated for resolution by the Local Investigating Committee, the grievance will be automatically referred to Fact Finding, the Joint Grievance Committee. Business Manager Grievances not resolved by the LIC within the time limits in Step Two (3) (a) will be automatically referred to the Review Committee. (Amended 1-1-00)

(3) (b) Within 15 calendar days following the filing of a grievance which does concern an employee's qualifications for promotion or transfer (except as provided above for Inter-regional or General Office Departmental prebids or transfer applications), or an employee's demotion, suspension or termination of employment, the Local Investigating Committee shall prepare a report of its findings as set forth in Subsection (a) above.

If such grievance is not resolved in 15 calendar days following its being timely filed, the grievance must be referred to and accepted by the Fact Finding Committee. The referral shall also include the report referred to above and either an agreed-to summary or separate summaries of the reasons (facts or factors in dispute) why the Local Investigating Committee could not resolve the grievance. (Amended 1-1-88)

STEP THREE FACT FINDING COMMITTEE

The Fact Finding Committee shall be composed of the Chairman of the Review Committee or his/her designee, the Secretary of the Review Committee or his/her designee, and the Human Resources Advisor Manager and the Business Representative involved in the preceding step. (Amended 1-1-00)

The Fact Finding Committee shall hold hearings or meet at such places and times as it deems necessary to resolve the grievance. If the grievance is resolved by the Fact Finding Committee before the expiration of the 30 calendar days following the date of referral from the preceding step, the Committee shall issue an agreed-to "Memorandum of Disposition," copies of which shall be distributed to each member of the Committee and to the grievant, and such others as the Committee determines.

If the Fact Finding Committee has not settled the grievance within 30 calendar days following receipt of or acceptance of certification, it may, by mutual agreement of the Secretary and Chairman, be:

- (1) referred to arbitration; or

(2) referred to the Region or General Office Department Joint Grievance Committee; or

(3) referred back to the Local Investigating Committee for further information and/or instructions as to the grounds for settlement; or

If none of the foregoing can be mutually agreed to, the complete grievance file shall be referred to the Review Committee. (Amended 1-1-88)

STEP FOUR REGION OR GENERAL OFFICE DEPARTMENT JOINT GRIEVANCE COMMITTEE

A "Joint Grievance Committee" shall be established in each geographical Region or General Office Department, in the Materials Distribution Department, in the Pipe Line Operations Department and in General Construction. Each Committee shall consist of three members appointed by the Company and three members appointed by the Union except that the Committee appointed in General Construction shall consist of five members appointed by Union and five members appointed by Company. The three members appointed by Union to the Materials Distribution Committee shall include the member appointed to represent the office and clerical employees of such department. Employees who are appointed members of a Joint Grievance Committee shall be allowed only such time off with pay as is necessary for attendance at the Committee's meetings. (Amended 1-1-88)

There shall be no permanently established Joint Grievance Committee for the Communications and Building Departments of Company's General Office, the Gas Meter Repair Facility at Fremont and Diablo Canyon Power Plant. Whenever a case is to be referred to a Joint Grievance Committee under this procedure in any of the above-named departments, a committee shall be established consisting of three members appointed by Company's Department Head and three members appointed by Union in addition to a Company-appointed Industrial Relations Representative and a Union-appointed Business Representative. The Committee thus established shall meet within ten workdays of its establishment and shall have all the duties and perform the same functions as a Regional or General Office Departmental Joint Grievance Committee with respect to the grievance or grievances on its agenda. (Amended 1-1-88)

The Committee shall, within 30 calendar days following its next regularly scheduled monthly meeting date after receiving the referral and report of the Fact Finding Committee or the report of the Local Investigating Committee, whichever is applicable: (1) settle the grievance, or (2) refer the case to the Review Committee, or (3) either Company or Union may request certification from the Chairman and the Secretary of the Review Committee to refer the case directly to arbitration.

Any grievance which is not so settled within 30 calendar days or if the Chairman and Secretary of the Review Committee have not approved a request for certification to arbitration within seven calendar days after receipt of such request, the grievance shall be automatically referred to the Review Committee.

A referral to Review Committee or request for certification to arbitration shall be accompanied by a joint summary of the discussions held at the Region or General Office Department or General Construction Joint Grievance Committee meeting and a joint statement of the issues upon which they are in agreement, issues still in dispute and the reasons therefore, and the basis for settlement, if any advanced by each. (Amended 1-1-88)

Notwithstanding all of the above in Step Four, Region or General Office Department may, by mutual agreement between the Company's Region or General Office Department Human Resources Manager and Union's Business Representative, elect to replace the Joint Grievance Committee with a Region/Department Joint Labor-Management meeting as outlined in Section 8.4 of the Agreement. (Amended 1-1-88)

~~(Deleted 1-1-00)~~

STEP FOUR FIVE (Title Amended 1-1-00) REVIEW COMMITTEE

The Review Committee shall consist of four representatives designated by Company's Manager of Industrial Relations, one of whom shall serve as Chairman of the Committee, and four representatives designated by the Union, one of whom shall serve as Secretary of the Committee. Company will not assume payment of any expense or lost time incurred by Union members of the Review Committee.

The Chairman of the Committee shall maintain an agenda of the current cases referred to the Committee. So long as there are cases pending on the agenda, the Committee shall meet at least once each calendar month. These monthly meetings shall be scheduled for the fourth Thursday of each month unless the Chairman and Secretary agree to meet more often.

A. PRE-REVIEW COMMITTEE PROCEDURE

After the Industrial Relations Department receives a Business Manager's Grievance or the file from the Local Investigating Committee, or Fact Finding Committee or the Joint Grievance Committee, as provided for in the foregoing, four copies shall be submitted to the Union's Business Office. Thereafter, and prior to docketing, the Chairman and the Secretary of the Review Committee shall meet at a mutually agreeable time and place for the following purposes: (Amended 1-1-00)

(Clerical Agreement continued on Page 18)

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(Continued from Page 17)

(i) To allow Company to indicate whether or not it will implement the correction asked for. In the event Company takes such action, the grievance will, upon agreement of Union, be considered closed; or

(ii) To allow Union to indicate whether or not it will summarily reject the grievance. In the event Union takes such action, the grievance will, upon agreement of Company, be considered closed; or

(iii) To determine whether or not the file forwarded for review contains sufficient facts to enable the Review Committee to formulate a decision. In the event it is determined the file is incomplete, it shall forthwith, and prior to docketing, be returned to the source of referral for correction or supplementation.

(iv) To number and docket cases not disposed of by subparagraphs (i), (ii) and (iii) above; and

(v) To prepare a statement of issues and to endeavor to reach a preliminary understanding of grounds for settlement.

(vi) To appoint a Local Investigating Committee to investigate and prepare a Joint Statement of Facts for Business Manager Grievances. (Added 1-1-00)

B. REVIEW COMMITTEE PROCEDURE

After the Pre-Review Committee meeting, referrals not disposed of shall automatically be added to the Review Committee Agenda.

(i) Cases for which preliminary grounds for settlement have been reached in the Pre-Review Committee meeting shall have priority over other cases. The parties shall, as expeditiously as possible, determine whether the preliminary grounds are dispositive of the matter. In the event it is not, the matter shall be treated in the same manner as any other referral.

(ii) Other referrals - Within 30 calendar days of docketing a grievance, the Company shall submit, in writing, a "Preliminary Disposition" of all new cases placed on the Agenda. Company may have a continuance for an additional 30 calendar days or until the next Review Committee meeting, whichever is later, to submit such Preliminary Disposition.

(iii) After receipt of the Preliminary Disposition, Union shall have 30 calendar days or until the next scheduled Review Committee meeting, whichever is later, to submit to the Company a "Counter-Preliminary Disposition."

(iv) After receipt of Union's "Counter-Preliminary Disposition," a matter may, at the option of either party, be set over to the next scheduled Committee meeting if, in the view of either party, compromise or settlement appears possible. Within 30 calendar days thereafter or at the conclusion of the next scheduled meeting, whichever occurs later, the matter must be disposed of by mutual agreement, in writing, by one of the following methods:

- (1) Settlement.
- (2) Acceptance of Company's "Preliminary Disposition."
- (3) Acceptance of Union's "Counter-Preliminary Disposition."

(4) Close the Review Committee file and remove it from its Agenda by notifying the Company's Manager of Industrial Relations and the Union's Business Manager that the case is "suspended." Following such notice, the Union's Business Manager and Company's Manager of Industrial Relations shall, within 15 calendar days, meet for the purpose of proposing an interim consultative disposition of the issues involved or, at their option, refer the case to an Ad Hoc Negotiating Committee as provided for pursuant to the provisions of Title 400 of the Physical Labor Agreement.

If a matter so suspended has not been referred to an Ad Hoc Negotiating Committee for interim negotiations within 15 calendar days of the receipt of the case from the Review Committee and, provided further, if no other disposition is made within that time period, the case may, within five calendar days of the expiration of said 15 calendar days, be filed for arbitration pursuant to the applicable provisions of the applicable Labor Agreement then in effect between the parties. If not filed for arbitration or if the 15-calendar-day limits are not waived as provided for hereafter, or if the grievance has not been withdrawn, the grievance shall be considered finally settled without prejudice.

If Ad Hoc Negotiations are agreed upon within the time periods provided, the Committee will meet and confer at the earliest date that can be arranged between them. The Committee will meet thereafter as often as both parties deem necessary to effect an early disposition of the issues involved. The Committee is empowered to render a final, binding disposition of the case. Such decision will be reduced to writing, signed by both Union and Company, and distributed by each to Union members and Company's management as each deems necessary to effectuate the decision.

If an Ad Hoc Negotiating Committee is unable to reach a disposition of the "suspended" case within 180 days of the date the case was suspended, and if within that period of time neither party has notified the other in writing of their intent to submit said case to arbitration, then at the expiration of said 180 days, the case shall be automatically closed without prejudice, unless there is mutual agreement that the case be terminated by other means.

While "suspended," the preliminary disposition proposed by either party may, upon mutual agreement of the parties, be placed into effect anywhere without prejudice to either party. If both have submitted preliminary dispositions that provide for different methods

of resolving the issues, either or both may, but mutual agreement, be put into effect for the purpose of determining which, if either, is mutually acceptable to the parties as a solution.

To provide a favorable atmosphere for negotiating a settlement of the issue referred to an Ad Hoc Negotiating Committee and to encourage the trial of preliminary dispositions proposed by either Company or Union, the period of "suspension" will insulate Company from additional monetary liability, if that is involved in the case, in the following manner: The Ad Hoc Negotiating Committee is empowered to mutually determine in an appropriate case, the amount of retroactive wage adjustment which will accompany its disposition of the case. In no event, however, will such period of retroactive wage adjustment exceed the period of time beginning with the date the grievance was originally filed and ending with the 30th calendar day following the date the Union notifies Company of their election to "suspend."

The period of suspension shall end, and the insulation of Company of further liability shall cease whenever either party notifies the other of its desire to submit the case to arbitration.

(5) Referral to arbitration.

(6) Withdrawal of the grievance by Union without prejudice.

(v) Unless the parties mutually agree in writing to the waiver of the applicable time limitation in any specific instance, the failure to strictly comply with the time limits provided above shall result in:

(1) Granting, at the option of the Union, of the correction sought by the grievance if Company does not submit its "Preliminary Disposition" within the time limits set forth in Item (ii) of this Part B, or

(2) The closure of the case without adjustment and without prejudice.

(vi) Either party may request a Review Committee hearing. Such hearing will be scheduled at the earliest time possible, but shall not delay or extend the running of time limits set forth in Part B of this Procedure.

STEP SIX FIVE (Title Amended 1-1-00) ARBITRATION

A. TRIPARTITE BOARD

Either Company or Union may request, within the time limits provided in the foregoing steps, that a grievance which is not settled at one of the steps provided above be submitted to arbitration.

An Arbitration Board shall be appointed on each occasion that a grievance is timely submitted to arbitration pursuant to the foregoing provisions of this Title. The board shall be composed of two members appointed by Company, two members appointed by Union, and a fifth member appointed pursuant to the procedure set forth in the following Subsection B. Such fifth member shall act as Chairman of the Arbitration Board and conduct hearings and render a decision in accordance with the appropriate Submission Agreement.

B. SELECTION PROCEDURE

The parties to an arbitration proceeding will make a good faith effort to mutually agree to the selection of the Chairman. If they cannot, each party shall nominate two candidates from the panel established by Company and Union, Subsection C. If the parties are still unable to agree upon the selection of a Chairman, then the Chairman shall be chosen by lot from the panel names submitted.

C. PANEL OF ARBITRATORS

A panel of not more than ten arbitrators shall be established and renewed annually by the Company and the Union on January 1 of that year. Each party shall have the right to name five panelists who will remain on the panel during the calendar year.

TITLE 13. WAGES

13.9 WAGE RATE - ASSIGNED LOWER CLASSIFICATION

(d) Employees who have received notice of displacement and vacate their base position by successful bid, transfer or who are displaced into a lower paying position will maintain their rate of pay for up to three years or until such time as the rate of pay in the new position is equal to or greater than that of the employee's frozen rate of pay, whichever comes first. If at the end of three years, an employee is still paid above the top of the rate for the classification held, the employee will be placed at the top of the rate for that classification. During the time that an employee's pay remains above the wage range of the position into which he/she bid, the employee will not receive General Wage Increases or Progressive Wage Increases. (Added 1-1-00)

TITLE 17. STATUS

17.6 Part-Time Employment

(a) A part-time employee is any employee whose regularly scheduled workweek is **35 hours or less**. Regular part-time employees who attained part-time status on or before December 31, 1990 shall be entitled to service and prorated vacations and sick leave based

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on the ratio of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. Regular part-time employees who attained part-time status on or after January 1, 1991 shall be entitled to service and prorated benefits, vacations and sick leave based on the ratio of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. (Amended 1-1-00)

TITLE 19. DEMOTION AND LAY OFF PROCEDURE

19.1 GENERAL RULES (REGULAR EMPLOYEES)

The provisions of this Title 19 which are applicable to employees with one continuous year of service in cases of displacement, demotion, or layoff due to lack of work or the return of an employee from leave of absence for Union business or military service shall be applied in such manner as to give effect to the following: (Amended 1-1-94).

(a) Employees shall be given as much notice as practicable of Company's proposed action. Following such notice, and prior to the date of the proposed action, employees to be affected by the procedure due to lack of work shall be considered as though they had already been demoted, and, notwithstanding the provisions of Title 18, have their bids to fill vacancies, in the normal Line of Progression, considered under the provisions of Section 19.9. Subsection 19.1(b) through Section 19.13 shall apply to employees being displaced or demoted due to lack of work or employees being displaced by another employee due to lack of work. (Amended 1-1-00)

(b) An employee's Service, as defined in Section 17.3 shall be the determining factor in the application of this Title.

(c) Where a vacancy in an appropriate classification exists, the filling of such vacancy in accordance with the appropriate provisions of this Title shall be substituted for the displacing of another employee as provided herein. ~~If such vacancies exist at more than one headquarters, Company shall provide an employee with a list of such vacancies and the location thereof. The employee may then elect to fill any of such vacancies.~~ (Amended 1-1-00)

(d) An employee may not elect to displace another employee whose Service is equal to or greater than his/her own. An employee may not displace an employee in a classification having a wage rate higher than that of his/her own classification except where such classification is considered to be the same in accordance with a Line of Progression as provided for in Exhibit A or where such classification is a beginners classification. (Amended 1-1-00)

(e) Employees shall be demoted, displaced, laid off, or effect elections under the provisions of this Title on the basis of their regular classification, headquarters and Line of Progression at the time of any such action.

(f) In the application of the Title, an employee shall not be placed in a job unless qualified to perform the duties.

(g) In the application of this Title, part-time employees and intermittent employees are considered to be a different classification than full-time employees under the same job title. Part-time employees and intermittent employees will not be able to displace full-time employees, regardless of seniority. Part-time employees can only displace other part-time employees in the same or lower classifications within their normal Line of Progression. Intermittent employees can only displace other intermittent employees in the same or lower classifications within their normal Lines of Progression. (Added 1-1-88)

(h) No regular full-time employee will be displaced, demoted, or laid off due to the usage of part-time employees. Further, at a headquarters where Title 19 is to be implemented, all part-time employees shall be affected prior to regular full-time employees. (Added 1-1-91)

19.2 NOTICES

The following notices shall be given in connection with the demotion, displacement and layoff provisions of this Title: (Amended 1-1-00)

(a) Company will give all employees as much notice as possible of an impending displacement, but in no case less than 14 calendar days. Further, Company will give an employee who is to be demoted or displaced due to lack of work as much notice thereof as possible, but in no case less than 14 calendar days, as much notice thereof as possible. At the time of notification the employee will be advised of the classification to which the employee is to be demoted and provided with a list of the jobs and locations thereof to which any elections (vacancy or displacement of another employee) may be applied. (Amended 1-1-00)

(b) Within twelve workdays after receipt of the list described in Subsection (a), the All employees will be given an opportunity to should notify the Company, through the completion of the employee option form, of his/her election to transfer and indicate the job locations in the order of his/her preference their preferential order in which Section 19.3 through 19.7 shall be administered. This information will be kept on file for use in any displacement action and may be updated by the employee at any time up to 2 days prior to the start of a displacement action. This notification Preferential consideration shall be given to employees in the order of their Service, while Company shall endeavor to give effect to an employee's preference in the order he/she has indicated. Length of Service shall be the determining factor where two or more employees express a preference for a single location. Company shall notify an employee as to the specific location to which such employee will be

transferred. (Amended 1-1-00)

(c) An employee's failure to give the notice prescribed in Subsection (b) will operate to forfeit his/her right of election result in the Company applying the following preference sequence: 1) 19.3 to immediate next lower classification; 2) regular sequence of consideration of 19.4 to Area, then Unit, then System; 3) 19.5 to Area and then Unit; 4) 19.6 to Area, then Unit, then System; and 5) 19.7 layoff. (Amended 1-1-0094)

(d) Any transfer resulting from the application of this Section will be made effective at any time after the expiration of ten workdays from the giving of the notice provided for in Subsection (a). (Amended 1-1-88)

(e) By agreement between Company and Union, the notice periods in this Section may be extended. (Added 1-1-91)

19.4 ELECTIONS TO CHANGE HEADQUARTERS OR DEPARTMENT

(a) Elections to retain department: An employee with three years or more of Service, who is to be demoted or displaced as provided in Section 19.3 has the following elections within his or her department: (Amended 1-1-00)

(1) may elect to displace that employee in the same classification and department within the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-91)

(2) may elect to displace that employee in the same classification and department within the Demotion Unit who has the least Service, or if no such election is available; (Amended 1-1-94)

(3) (5) may elect to displace that employee in the same classification and department in the System who has the least Service, or if no such election is available; (Amended 1-1-00)

(b) Elections to change department: An employee with three years or more of Service, who is to be demoted or displaced as provided in Section 19.3 also has the following elections: (Added 1-1-00)

(1) (3) may elect to displace that employee in the same classification in the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-0094)

(2) (4) may elect to displace that employee in the same classification in the Demotion Unit who has the least Service, or if no such election is available; (Amended 1-1-0094)

(5) may elect to displace that employee in the same classification and department in the System who has the least Service, or if no such election is available; (Deleted 1-1-00)

(3) (6) may elect to displace that employee in the same classification in the System who has the least Service. (Amended 1-1-0088)

(c) (b) An employee with less than three years of Service who is to be demoted or displaced as provided in Section 19.3 has the following elections: (Amended 1-1-00)

(1) may elect to displace that employee in the same classification and department within the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-91)

(2) may elect to displace that employee in the same classification and department within the Demotion Unit who has the least Service, or if no such election is available; (Amended 1-1-94)

(3) may elect to displace that employee in the same classification within the Demotion Area who has the least Service, or if no such election is available; (Amended 1-1-91)

(4) may elect to displace that employee in the same classification within the Demotion Unit who has the least Service. (Amended 1-1-94)

(d) (e) An employee who has been demoted or displaced, as provided in Section 19.3, before exercising the election provided by Subsection (a) hereof, may exercise such elections as if the demotion has not occurred. (Amended 1-1-00)

(e) Under a systemwide application of Title 19, the three year service requirement under Sections 19.4 and 19.6 will be waived. (Added 1-1-00)

19.6 BUMPING EMPLOYEE IN BEGINNER'S JOB

(a) If the Company cannot effect a demotion or displacement of an employee in accordance with Section 19.3 and, in addition, such employee does not for any reason effect an election in accordance with Section 19.4 or 19.5, he/she may elect to displace that employee in the Demotion Area, in a beginning classification who has the least Service provided for which he/she meets the qualifications of the transfer. (Amended 1-1-0094)

(Clerical Agreement continued on Page 20)

CLERICAL AGREEMENT

(Continued from Page 19)

(b) If the Company cannot effect a demotion or displacement of an employee in Subsection (a) hereof, such employee may elect to displace that employee in the Demotion Unit in a beginning classification, who has the least Service, provided for which the employee meets the qualifications of a transfer. (Amended 1-1-0094)

(c) If the Company cannot effect a demotion or displacement of an employee in Subsections (a) and (b) hereof, if the employee has been employed three years or more, such employee may elect to displace that employee in the Company in a beginning classification, who has the least Service, provided for which the employee meets the qualifications for a transfer. (Added 1-1-88) (Amended 1-1-00)

19.7 LAYOFF

(a) An employee can elect layoff in lieu of exercising options under 19.3, 19.4, 19.5 or 19.6. Further, if there is no job to which Company can demote an employee under Sections 19.3 or if the an employee who does not effect a displacement under any of the elections in Section 19.3, 19.4, 19.5, and 19.6, the employee will be laid off. (Amended 1-1-0094)

(b) An employee who is not affected by this Title may elect to take a layoff under this Title, without employing applications of Sections 19.1 through 19.6, thereby reducing the number of employees affected. Such employee shall have preferential rehire rights as provided under Section 19.13. This option for layoff is restricted to employees in impacted classifications and headquarters. (Added 1-1-00)

19.8 MOVING ALLOWANCE

(a) When an employee is displaced under the provisions of this Title because of lack of work at his/her headquarters, and the employee's new headquarters is beyond commutable distance from his/her residence, Company shall reimburse the employee for the reasonable costs incurred in connection with moving his/her household in a sum not to exceed \$2,400. (Amended 1-1-94)

(b) Reasonable costs as referenced above shall include and are restricted to: (Amended 1-1-94)

(1) Transportation of the employee and his/her immediate family to the new headquarters location (one trip only). (Amended 1-1-94)

(2) Meal and motel expenses for the above incurred on moving day when movers cannot complete the move on the same day. (Amended 1-1-94)

(3) Moving of furniture and household goods to the new residence. (Amended 1-1-94)

(4) Cost of containers to be used in moving less applicable credits for returned items, such as, barrels, wardrobes and boxes. (Amended 1-1-94)

(5) Reasonable insurance on furniture and household goods. (Amended 1-1-94)

(6) Installation of television antenna and cable connections. (Amended 1-1-94)

(7) Piping and wiring costs to accommodate moved appliances. (Amended 1-1-94)

(8) Reasonable costs of any kind and all non-refundable deposits and/or hook-up fees for water, garbage, telephone, gas and electric. (Amended 1-1-94)

All expenses not specifically covered above are excluded from payment under this Section. (Amended 1-1-94)

Although there is no time limit on when the move should occur, notice of intent to move must be filed by the employee within 90 days after his/her transfer in order to qualify for reimbursement of moving expenses outlined above. All requests for reimbursement for moving expenses must be presented together with proper receipts before payment can be granted. (Amended 1-1-00)

(c) "Beyond commutable distance," as used above, shall mean a new headquarters located more than 45 minutes or 30 miles from his/her present residence. (Amended 1-1-94)

(d) An employee is not required to move within a commutable distance (45 minutes or 30 miles) to become eligible for a moving allowance, but must move closer to the new headquarters to qualify. (Added 1-1-00)

19.9 ACCELERATED PROMOTION

For the purpose of enabling employees who have been demoted or transferred under the provisions of this Title, or to enable employees who have been on or are on Long-Term Disability status, to return to their former status (includes former classification and department and/or any other intermediate classification in the department and in the Line of Progression), on an accelerated basis, Company will give preferential consideration in the following sequence to the bids and transfer applications submitted by such employees on any job vacancy: (Amended 1-1-00)

(a) Bids and transfer applications submitted by employees who formerly worked in such job classification and headquarters, and who were transferred from such headquarters, demoted from such classification, or were placed on Long-Term Disability status from such headquarters. An employee's bid or transfer application shall not be considered under this Subsection if following demotion or transfer the employee has not exercised each opportunity available to return to a job in his/her former classification and headquarters. (Amended 1-1-91)

(b) Bids and transfer applications submitted by employees listed in Subsection (a) above who formerly worked in such job classification and Area. (Added 1-1-00)

(c) (b) Bids and transfer applications submitted by employees listed in Subsection (a) above who formerly worked in such job classification. (Amended 1-1-00)

(d) (e) Should an employee return to a classification and/or Line of Progression under the provisions of Section 19.13 other than one from which such employee was demoted, transferred or laid off, such placement shall not be considered as voluntarily removing himself/herself from the Line of Progression to which such employee would have accelerated promotional rights under the provisions of this Section. (Added 1-1-94) (Amended 1-1-00)

In considering, under Subsections (a), (b) or (c), bids or transfer applications received from two or more employees on the same job, Company shall give preferential consideration to the bid or transfer application submitted by the employee who has the greatest Service.

An employee who has been demoted or transferred under the provisions of this Title who thereafter voluntarily removes him/herself from the Line of Progression to which the employee was previously transferred or demoted shall not be given consideration under this Section. (Amended 1-1-91)

TITLE 21. LABOR-MANAGEMENT COOPERATION

21.1 COMPANY LABOR-MANAGEMENT MEETINGS (Title Amended 1-1-00)

Quarterly system joint labor-management meetings shall be regularly scheduled for the purposes of improving communications and promoting harmony and cooperation between Company and Union through discussions of matters of policy and operation which are of general system concern. The meetings will be scheduled for the fourth Wednesday of January, April, July and October, except that such meetings may be cancelled by mutual agreement or by failure to submit agenda items. (Amended 1-1-83)

(a)21-2 AGENDA (Title Amended 1-1-00)

To enable each to select representatives knowledgeable in the matters of general system concern, agenda items will be submitted to the Company's Manager of Industrial Relations together with a list of employees attending for Union at least two weeks prior to the date of the next quarterly meeting. An agenda will be prepared from the items submitted and sent to the Union and Committee members designated by each as soon as possible thereafter. A summary of the Committee's discussion shall be prepared by Company and after Union review shall be distributed to each attending Committee member.

(b)21-3 REPRESENTATION (Title Amended 1-1-00)

Company's Manager of Industrial Relations and Union shall appoint their respective representatives to attend a quarterly meeting, and no restriction is placed on the number each may appoint. However, the number so appointed by each should be limited to those having knowledge of the agenda items and restricted in number in such a way as to insure an orderly presentation by each.

21.21-4 LOCAL/DEPARTMENT LABOR MANAGEMENT MEETING PURPOSE

If the Division Department or Area Manager or Department Head is informed by the Union Business Representative serving that area of supervision of problems other than those subject to the grievance procedures of the applicable contract concerning the affairs and relationship between Union and Company Division management or involve public affairs matters of a local nature which the Division Area or Department Manager or Department Head believes could be solved or improved through joint participative discussion, the Division Manager or Department Head and Union Business Representative shall mutually arrange for a meeting at a place and time which may be during or outside of regular work hours. Such meetings (excluding a continuation of any adjourned meeting) shall take place not more often than bimonthly. (Amended 1-1-0094)

(a)21-5 ATTENDEES AND AGENDA

After notice of a scheduled meeting, the Union may select a reasonable number of its Shop Stewards who are knowledgeable in the matters of concern conveyed to the Division Manager to attend the meeting. Ten days prior to the date set by the Division Manager for such meeting, the Union will submit to him/her agenda items together with a list of employees Union desires to be in attendance at the meeting. As soon as possible thereafter, an agenda will be prepared from the items submitted by the Union and those proposed by Management and sent to Union. (Amended 1-1-0094)

(b)21-6 SUMMARY

Following the meeting, the Division Area or Department Manager or Department

CLERICAL AGREEMENT

Head will prepare a summary of the items discussed and the conclusions reached by the Committee which shall thereafter be distributed to the Union and Company members in attendance. (Amended 1-1-00)

(c) 21-7 WITHDRAWAL

Any Division Area or Department may withdraw from participation in the Local Labor-Management Committee upon Company's Manager of Industrial Relations giving notice of such intent to Union. (Amended 1-1-0084)

21-321-8 PRODUCTIVITY ENHANCEMENT COMMITTEES (Title Amended 1-1-00)

(a) Company and Union will establish Joint Committees on Productivity Enhancement. One such committee consisting of four members appointed by Company's Manager of Industrial Relations and four members appointed by Union shall meet at the call of either party. Other Productivity Enhancement Committees will be established as agreed between Union and Company at other levels of Company's organization. Union members of such committees who are employees of Company shall be paid by Company for attendance at mutually agreed-to meetings of such committees. (Amended 1-1-88)

(b) A unit may request to participate in an employee involvement efficiency project. Each project will have an advisory committee and a steering committee, each consisting of Company and Union representatives.

Company's Manager of Industrial Relations and Union's Business Manager may agree to guidelines and provisions to temporarily amend provisions of the agreement and/or Company policies and procedures (excluding conflict with any Federal or State Law, Regulation or Executive Order). (See Letter Agreement 87-165-PGE, Exhibit XI.) (Added 1-1-88)

TITLE 23. SUPPLEMENTAL BENEFITS FOR INDUSTRIAL INJURY

23.1 BENEFIT DESCRIBED

(a) When an employee is absent by reason of injury arising out of and in the course of the employment with Company which comes within the application of the Workers' Compensation and Insurance Chapters of the State Labor Code, the employee shall be eligible for supplemental benefits for the duration of temporary disability. Such benefits shall commence with the first workday of absence immediately following the day of the injury. The amount of the supplemental benefit payable shall be 75 percent for each of the first 182 days of absence shall be 85 percent of an employee's basic weekly wage rate divided by five, less the sum of any payments to which the employee may be entitled under the Workers' Compensation and Insurance Chapters of the State Labor Code and benefits from the Voluntary Wage Benefit Plan which provides benefits in lieu of unemployment compensation disability benefits provided for in the California Unemployment Insurance Code. On the 183rd day of absence and thereafter, the supplemental benefit described above shall be computed at 66 2/3 percent of the employee's basic weekly wage rate divided by five, less the offsets described above. (Amended 1-1-91 to apply to absences due to injuries occurring on or after 1-1-91) (Amended 1-1-00 to be applicable to employees sustaining injuries 1-1-00 or after.)

(b) Any supplemental benefits paid during the first week of disability shall be considered as a credit against disability compensation which may be retroactively due under provisions of the Workers' Compensation and Insurance Chapters of the State Labor Code. Supplemental benefits paid for the first aggregate 182 days of absence shall be considered as a credit which may be applied to any permanent disability settlement. (Amended 1-1-91)

TITLE 25. TERM

25.1 TERM

This Agreement, having taken effect as of July 1, 1953, and having thereafter been amended from time to time shall continue in effect as further emended herein for the term of January 1, 2000-1997 through December 31, 2002-1999, and shall continue thereafter from year to year unless written notice of termination shall be given by either party to the other 60 days prior to the end of the then current term. (Amended 1-1-0097)

25.3 GENERAL WAGE INCREASES

(a) Effective January 1, 2000-1997, the basic wage rates established for January 1, 1999-1996 in Exhibit F of this Agreement shall be increased by three and one quarter percent. (Amended 1-1-0097)

(b) Effective January 1, 2001-1998, the basic wage rates established for January 1, 2000-1997 in Exhibit F of this Agreement shall be increased by three and one quarter percent. (Amended 1-1-0097)

(c) Effective January 1, 2002-1999, the basic wage rates established for January 1, 2001-1998 in Exhibit F of this Agreement shall be increased by three and one half percent. (Amended 1-1-0097)

(d) (Deleted 1-1-97)

EXHIBIT K

LETTER AGREEMENT
No. 93-42-PGE

May 18, 1993

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

In response to Union's concerns for job security and the Company's need to continue modifying the workforce to be more competitive, Company proposes to establish a Severance Program effective the date of ratification through the term of the agreement effective January 1, 1994.

This agreement will apply to Title 200 employees of the Physical Agreement and employees covered by the Clerical Agreement. Employees with less than one year of service will not be eligible for the severance program.

In the event the Company determines that a permanent downsizing of Title 300 employees is required, Application I will apply to those affected employees.

Application I

- A. Company determines the department, headquarters, classifications and number of employees to be affected.
- B. Those employees in department, headquarters and classifications to be affected will be offered the severance package. The senior volunteers electing to accept the offer will receive the severance package, except that the number of employees receiving the severance package will not exceed the number of employees Company has determined will be affected under A. above.
- C. Such employees who elect the severance package under Application I are considered to have resigned their employment with the Company and therefore have no preferential rehire rights nor would their service be bridged if rehired.

Local 1245, IBEW
93-42-PGE

-2-

May 18, 1993

Application II

- A. If there are insufficient volunteers under Application I, the normal displacement and layoff provisions of the IBEW Labor Agreements will be effected.
- B. Employees laid off pursuant to Sections 19.7 of the Clerical Agreement and 206.7 of the Physical Agreement will receive the Severance Package as defined below.

Package

- A. Four weeks pay (base classification) plus one weeks' pay for each year of service.
- B. In no event will the payment exceed one year's base salary.
- C. A lump sum payment of \$4,500 to partially offset GOBRA and life insurance conversion coverage. The employee has no obligation to use it for GOBRA conversion or continued life insurance coverage.
- D. Payment is dependent on the signing of the Severance Agreement and Release (Attachment 1).

If you are in accord with the foregoing and attachment and agree thereto, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Yours very truly,

PACIFIC GAS & ELECTRIC COMPANY

By: s/David J. Bergman
Director and Chief Negotiator

(Clerical Agreement continued on Page 22)

CLERICAL AGREEMENT

(Continued from Page 21)

The Union is in accord with the foregoing and it agrees thereto as of the date hereof.

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

By: _____
s/Jack McNally
Business Manager

ATTACHMENT I SEVERANCE AGREEMENT AND RELEASE

This Severance Agreement and Release is made and entered into between _____ and the Pacific Gas and Electric Company (PG&E). Mr./Ms. _____ and PG&E (collectively referred to as "the parties"), in their wish to compromise, resolve, settle, and terminate any dispute or claim between them with respect to Mr./Ms. _____'s employment with PG&E and severance therefrom, have agreed as follows:

1. Effective close of business, _____ 1993, Mr./Ms. _____ shall resign from PG&E employment.
2. On _____ 1993, PG&E shall pay to Mr./Ms. _____ the amount of _____ Dollars (\$ _____), less applicable deductions. If Mr./Ms. _____ is rehired within 30 calendar days of layoff, they PG&E's obligation to pay is null and void. The parties understand and agree that the payment provided in this paragraph is in addition to, and does not affect, any payment and benefit to which Mr./Ms. may be otherwise entitled under PG&E's compensation, performance incentive, stock option, and other benefit programs.
3. In consideration for the payment and benefit which PG&E shall provide Mr./Ms. _____ under this Severance Agreement and Release, Mr./Ms. _____, in behalf of himself/herself, his/her heirs, estate, executors, administrators, successors, and assigns, releases and agrees to hold harmless PG&E, its officers, attorneys, agents, employees, assigns, subsidiaries, affiliated companies, and successors, from all actions, causes of action, claims, disputes, judgments, obligations, damages, liabilities of whatsoever kind and character, relating to Mr./Ms. _____'s employment with PG&E, including his/her employment severance and any action which led to the severance. Specifically, Mr./Ms. understands and agrees that the actions, causes of action, claims, disputes, judgments, obligations, damages, and liabilities covered by the preceding sentence include, but are not limited to, those arising under any federal, state, or local law, regulation, or order relating to civil rights (including employment discrimination on the basis of race, color, religion, age, sex, national origin, ancestry, physical handicap, medical condition, veteran status, marital status, and sexual orientation) wage and hour, labor, contract, or tort.
4. Mr./Ms. _____ understands and agrees that this Severance Agreement and Release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and all rights under Section 1542 of the California Civil Code are hereby expressly waived. Such section reads as follows:
A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to him must have materially affected his settlement with the debtor.

ATTACHMENT I: Severance Agreement and Release (continued)

5. Mr./Ms. _____ agrees not to initiate, participate or aid, in any way, in any lawsuit or proceeding upon any claim released by him/her under paragraphs 4 and 5. Mr./Ms. _____ understands and agrees that, if he/she violates his/her promise in the preceding sentence, he/she has engaged in a material breach of this Severance Agreement and Release. This paragraph, however, shall not prohibit Mr./Ms. _____ from participating in an Equal Employment Opportunity Commission age discrimination investigation or proceeding, if requested to do so by the Equal Employment Opportunity Commission. In the event of a Commission request, Mr./Ms. _____ shall notify PG&E of such request. Notwithstanding the foregoing, if Mr./Ms. obtains against PG&E a monetary judgment or settlement for a claim released by him/her under paragraphs 4 and 5, the payment he/she received under this Agreement and Release shall be deducted from any such monetary judgment or settlement.
6. Mr./Ms. _____ agrees not to use, disclose, publicize, or circulate any confidential or propriety information concerning PG&E, its subsidiaries or affiliates, which has come to his/her attention during his/her employment with PG&E, unless authorized in writing by PG&E or required by law. Before making any legally required disclosure, Mr./Ms. _____

shall give PG&E as much advance notice as possible. Mr./Ms. _____ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.

7. Mr./Ms. _____ agrees that, if he/she engages in a material breach of this Severance Agreement and Release, he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release within seven (7) calendar days upon written demand by PG&E. Mr./Ms. _____ further understands and agrees that, if he/she later disavows this Agreement and Release and if this Severance Agreement and Release is ordered to be unenforceable by a court of competent jurisdiction, he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release within seven (7) calendar days from the entry of the final court order. In addition, Mr./Ms. _____ understands and agrees that, if a court of competent jurisdiction, however, rejects his/her attempt to disavow this Severance Agreement and Release, he/she shall pay to PG&E within seven (7) calendar days from the entry of the final court order any loss, cost, damage, or expense, including, without limitation, attorney's fees PG&E incurred in enforcing the Severance Agreement and Release.

ATTACHMENT I: Severance Agreement and Release (continued)

8. This Severance Agreement and Release shall not be considered an admission of liability or a violation of any applicable contract, law, rule, regulation, or order of any kind.
9. Mr./Ms. _____ understands and agrees that all claims he/she may have arising under the Age Discrimination in Employment Act before he/she signs this Severance Agreement and Release are covered by paragraphs 4 and 5 of this Severance Agreement and Release and that his/her waiver of those age discrimination claims is an integral part of the release aspect of this agreement. Therefore, consistent with the Older Workers Benefit Protection Act, Mr./Ms. _____ states that he/she was given this Severance Agreement and Release on 1993, and understands that he/she has 45 calendar days from _____ 1993, (until _____, 1993), to consider this Severance Agreement and Release. Further, Mr./Ms. _____ understands that, if he/she signs this Severance Agreement and Release, he/she may revoke it within seven (7) calendar days of the agreement's execution. To revoke this Severance Agreement and Release, Mr./Ms. _____ must submit to _____, signed statement to that effect by close of business of the seventh (7th) day. Mr./Ms. _____ Understands and agrees that this Severance Agreement and Release will not take effect until the expiration of the seven-day revocation period.
10. This Severance Agreement and Release sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter of this Severance Agreement and Release.
11. Mr./Ms. _____ states that he/she has read this Severance Agreement and Release in its entirety, that he/she has been given the necessary time to consider its contents, that he/she fully understands its terms, that he/she has been advised that he/she should consult legal counsel of his/her choosing, that the only promises made to him/her to sign are those stated herein, and that he/she is signing this Severance Agreement and Release voluntarily.

PLEASE READ CAREFULLY. THIS SEVERANCE AGREEMENT AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

PACIFIC GAS AND ELECTRIC COMPANY
EMPLOYEE

DATE DATE

SEVERANCE

A. Application

Employees laid off pursuant of Section 19.7 of the Clerical Agreement will receive the Severance Package as defined below.
Clerical Employees with less than one year of service will not be eligible for the severance program.

B. Formula

- a) *Four weeks pay (base classification) plus two weeks' pay for each year of service.*
- b) *A lump sum payment of \$5,000 to partially off set COBRA and life insurance conversion coverage. The employee has no obligation to*

CLERICAL AGREEMENT

use it for COBRA conversion or continued life insurance coverage.

- c) Payment is dependent on the signing of the agreed to Severance Agreement and Release.
- d) Employees who are rehired, pursuant to Section 19.16 of the Clerical Agreement, within 12 months of lay-off and are subsequently laid off for lack of work within 12 months of being rehired will receive a prorated severance. The prorated severance amount will be equal to the difference between the severance amount(s) the employee previously received and the severance amount calculated using the employee's current years of service.

(End of Clerical Agreement modifications)

MEDICAL AGREEMENT

ATTACHMENT C MEDICAL, DENTAL AND VISION BENEFIT AGREEMENT

Section 6. Retirement of an Employee

(b) Effective January 1, 1994, Company shall provide a \$15 credit towards Medicare Part B for all eligible participants. **Effective 1/1/2000, until 2002, the Company will provide a credit towards the full cost of the Medicare Part B premium to any identified retiree and spouse who retires before the normal retirement age but becomes entitled to Medicare prior to age 65. Beginning in 2002, the company will contribute \$15 per month towards their Medicare Part B premium. Company will charge contributions for these Medicare retirees based on the combination of the retiree's selected plan premium costs and the cap applicable to retirees per subsections 6 (c), (d) and (f).** (Added 1/1/94). (Amended 1/1/00)

Exhibit A

DENTAL PLAN (Delta Dental Plan of California)

9. AMOUNT OF BENEFITS PAYABLE

The Plan provides payment of the indicated percentages **after an annual \$50 deductible (up to a family maximum of \$150) for all covered services except diagnostic and preventive care** of the covered fees (see below) up to the maximum of \$2,000.00 for each Eligible Person in each calendar year for the following Benefits: (Amended 1/1/00)

10. ORTHODONTIC BENEFITS

The Plan also provides payment of 50% of the covered fees for Orthodontic Benefits provided to Eligible Persons, up to the maximum of ~~\$1,000.00~~ **\$1,500.00** for each Eligible Patient. The maximum amount is in addition to the \$2,000.00 annual maximum for other covered Benefits and is a lifetime maximum. (Amended 1/1/00)

EXHIBIT B VISION SERVICE PLAN (VSP of Sacramento)

6. DEDUCTIBLE AMOUNT

The benefits described herein are available to each covered person from any participating and non-participating VSP panel doctor at no cost to the covered person, provided covered person follows the proper procedures by obtaining a VSP benefit form and presenting it to the doctor in advance.

However, there shall be a deductible amount of ~~\$5.00~~ **\$10.00** payable by the covered person to the panel doctor at the time of the examination. **There will also be a \$25.00 materials deductible for any lenses and frames.** (Amended 1/1/00)

EXHIBIT C (THE PRUDENTIAL INSURANCE COMPANY OF AMERICA) PG&E PRUNETWORK AND OUT-OF-AREA PLANS (Amended 1/1/01)

ELIGIBILITY Your eligibility for the PruNetwork Plan component of the PG&E Medical Plan depends on your home address. If you live outside the PruCare Plus service area but within 30 miles **of 2 primary care preferred providers and 2 other Preferred Provider Option Plan providers, you can chose the POS Plan during Open Enrollment or when first eligible. Employee and his or her dependents must remain in selected plan option until the next Open Enrollment** of the PruNetwork service area, you are eligible for the PruNetwork Plan.

MEDICAL BENEFITS

BASIC PLAN BENEFITS

MAJOR MEDICAL PROTECTION

Lifetime maximum:
\$1,000,000

Deductible - ~~\$100~~ **\$200** per person (or a total of ~~\$300~~ **\$600** for a family) each calendar year. (No Fourth Quarter Carry Forward)

Outpatient Prescription Drugs

[Provided under Major Medical only.]

Provided under Exhibit E

[Pays 80% or 100% of covered expenses.]

Provided under Exhibit E

Special Limitation
Infertility

Covered under applicable benefit category up to \$7,000 per lifetime. Expenses from other PG&E medical plan options carryover and apply toward lifetime maximum.

MEDICAL AGREEMENT

(Continued from Page 25)

Exclusions and Limitations

Any procedure or treatment to reverse previous sterilization procedures.

Any procedure or treatment in connection with artificial insemination, in-vitro fertilization or gamete intrafallopian transfer (GIFT).

Prescription drugs and drugs that do not require a prescription. **Prescription drug benefits are available under Exhibit E.** Birth control pills without written documentation of medical necessity, or contraceptive devices.

EXHIBIT E

MAIL SERVICE PRESCRIPTION DRUG PROGRAM PLAN

(Amended 1/1/01)

Eligibility and Membership

All employees, retired employees surviving spouses and their dependents who are eligible **elect coverage** under any PG&E Medical Plan **the PG&E Point of Service Plan and the PG&E Preferred Provider and Out of Area Plans** are eligible for membership in this Plan.

Benefits Covered

Prescribed maintenance **Retail and mail service prescription drug** medications

How the Plan Works

Members **can have their prescription drugs filled by any retail drug store, or they** can order prescription drugs from the Plan's vendor either by phone or mail. For initial **mail or phone** orders through the Plan, members must send vendor **the** prescription along with copayment **coinsurance**. Vendor will fill **the mail service** prescription typically with a 90 day drug supply and mail it via U.P.S. or first class mail. **(Amended 1/1/01)**

Level of Coverage

The Company pays 85% percent of the cost of each prescription filled. The per order copayment is 15 percent of the cost of the prescription up to the annual out-of-pocket maximum provided for an individual under the in-network portion of Exhibit Q, currently \$500.

The annual out-of-pocket maximum for all prescription drug purchases (retail and mail service) is \$500 per person and \$1,000 per family.

Retail Prescriptions:

The plan covers retail prescription drug expenses as follows:

Participating Pharmacies:

Generic Drugs: 85%

Brand Drugs: 75%

Non-Participating Pharmacies

Generic: 80%

Brand Drugs: 70%

Mail Service Prescriptions:

The plan covers mail service prescription drug expenses at 90% for generic prescriptions and at 80% for brand prescriptions.

Coverage Exceptions:

Infertility drugs, sexual dysfunction drugs, memory enhancement drugs (except when being used for treatment of a condition or disease that causes severe memory loss) and contraceptives (except when medical necessary) are covered at 50% for both retail and mail service prescription drug purchases. Physician preauthorization is required to document medical necessity in order for memory enhancement drugs and contraceptives to be covered at the standard levels of coverage.

Limitations:

The member may not receive coverage for a specific order under both this Plan and any other medical plan sponsored by PG&E.

Generic equivalent drugs will be substituted for brand-name drugs, unless doctor specifically requires a brand-name drug.

Copayments **Coinsurances** do not apply to other medical plan deductibles **and out-of-pocket maximums.**

Exclusions:

Drugs **and usage of drugs** that are not approved by the Food and Drug Administration.

Drugs that do not require a prescription.

Drugs that are not carried by the vendor.

Birth control pills or other prescriptive contraceptives unless written documentation of medical necessity from physician is provided.

(Medical, Dental and Vision Agreement continued on Page 26)

MEDICAL AGREEMENT

(Continued from Page 25)

Retin-A **and similar drugs** for participants who are 26 years of age or older unless written documentation of medical necessity from physician is provided.

Drugs for treatment of conditions that are excluded under the Blue Cross of California Prudent Buyer Plan **PG&E Point of Service Plan and the PG&E Preferred Provider and Out of Area Plans.**

Utilization and usage of drugs for purposes that are not medically necessary.

EXHIBIT F KAISER FOUNDATION HEALTH PLAN - NORTHERN CALIFORNIA REGION (NCR) (Amended 5/1/00)

Exhibit F Kaiser Foundation Health Plan - Northern California Region

Medical Benefits

Doctor's Visits	Provided at no Charge \$5 copay
Hospital	
Office	
Home	
Routine Physical Exams	Provided at no Charge \$5 copay
Outpatient Physical Therapy	Provided at no Charge \$5 copay
Examinations for Eyeglasses	Provided at no Charge \$5 copay
Well-Baby Care	Provided at no Charge \$5 copay
Outpatient Prescription Drugs	\$10 copayment for up to 100 day supply. Closed formulary - including home mailings. Mail order drugs provided under Exhibit E.
Outpatient Drug or Alcoholism Care	Treatment and counseling is provided. \$5 copay for individual; \$2 group
Outpatient Surgical Procedures (includes abortions)	Provided at no Charge \$5 copay
Rehabilitation	Provided at no Charge \$5 copay

EXHIBIT G KAISER FOUNDATION HEALTH PLAN - SOUTHERN CALIFORNIA REGION (SCR) (Amended 5/1/00)

Medical Benefits

Doctor's Visits	Provided at no Charge \$5 copay
Hospital	
Office	
Home	
Routine Physical Exams	Provided at no Charge \$5 copay
Outpatient Physical Therapy	Provided at no Charge \$5 copay
Examinations for Eyeglasses	Provided at no Charge \$5 copay
Well-Baby Care	Provided at no Charge \$5 copay
Outpatient Prescription Drugs	\$5 copayment for up to 100 day supply. Closed formulary - including home mailings. Mail order drugs provided under Exhibit E.
Outpatient Drug or Alcoholism Care	Treatment and counseling is provided. \$5 copay for individual; \$2 group

MEDICAL AGREEMENT

Key to Language Changes

Blue language = new & underlined
 Deleted language = crossed out

Outpatient Surgical Procedures (includes abortions) Provided at no Charge \$5 copay

Rehabilitation Provided at no Charge \$5 copay

Exhibit J Aetna Health Plans (Amended 1/1/01)

Outpatient Prescription Drugs Retail drugs at a \$10 copayment generics, \$15 copay brand formulary, \$30 brand non-formulary at a participating pharmacy for up to 30 to 34 day supply ; mail order provided under Exhibit E and mail order at two times retail for 90 to 100 day supply, open formulary.

Exhibit K Lifeguard (Amended 1/1/01)

Outpatient Prescription Drugs Retail drugs at a \$10 copayment generics, \$15 copay brand formulary, \$30 brand non-formulary at a participating pharmacy for up to 30 to 34 day supply ; mail order provided under Exhibit E and mail order at two times retail for 90 to 100 day supply, open formulary.

Exhibit L Qual Med PacificCare (Amended 1/1/01)

Outpatient Prescription Drugs Retail drugs at a \$10 for 1 month supply, closed formulary, mail order provided under Exhibit E and mail order at \$10 for up to 90 day supply, closed formulary.

Exhibit M Health Net (Amended 1/1/01)

Outpatient Prescription Drugs Retail drugs at a \$10 for 1 month supply, closed formulary, mail order provided under Exhibit E and mail order at \$10 for up to 90 day supply, closed formulary.

EXHIBIT Q PG&E PRUCARE PLUS PLAN (Amended 1/1/00)

Prucare Plus Plan Design

	Network Provider	Non-Network Provider
Annual Deductible Per Calendar Year	None	\$100 \$200 individual \$300 \$600 family
Outpatient Prescription Drugs	80% <u>Provided under Exhibit E</u>	75% of covered expenses <u>Provided under Exhibit E</u>

Special Limitation Infertility Covered under applicable benefit category up to \$7,000 per lifetime. Expenses from other PG&E medical plan options carryover and apply toward lifetime maximum.

Exclusions and Limitations

Any procedure or treatment to reverse previous sterilization procedures. Any procedure or treatment in connection with artificial insemination, in-vitro fertilization or gamete intrafallopian transfer (GIFT) Prescription drugs and drugs that do not require a prescription. Prescription drug benefits are available under Exhibit E. Birth control pills without written documentation of medical necessity, or contraceptive devices.

(End of Medical, Dental and Vision Agreement modifications)

BENEFIT AGREEMENT

ATTACHMENT D BENEFIT AGREEMENT

PART A

Group Life Insurance

2.04 ELIGIBILITY

Any full-time or regularly scheduled part-time employee ~~is eligible to become~~ a Participant in the Group Life Insurance feature of the Plan upon completion of six months of continuous service and the attainment of regular employee status. (Amended 1/1/0089)

An intermittent employee who attains regular status shall be eligible for receive life insurance coverage in the amount of \$10,000. If a regular employee has transferred from a full-time job to intermittent status, such employee may elect to decrease Group Life Insurance coverage ~~in the amount to the Basic coverage~~ of \$10,000 or retain the amount of coverage available for which such an employee is eligible, such employee must meet all of the other requirements of the Plan in order to become a Participant. If such an intermittent Participant does not work in one or more months, appropriate deductions for premiums will be made upon the Participant's return to work to cover premiums which were not paid for the months not worked. (Amended 1/1/00)

PART A

Group Life Insurance

2.05 HOW TO JOIN

To join, and receive Group Life Insurance beyond Basic coverage, an employee must fill out and submit to the employer an application form supplied by the employer authorizing deduction of monthly premiums if applicable from the employee's pay check; All Participants must complete a beneficiary form and naming a beneficiary. A Participant may change the beneficiary at any time by submitting a change of beneficiary form to the employer. An individual certificate is issued to the employee, on request, upon acceptance of the application form. (Amended 1/1/0088)

PART A

Group Life Insurance

2.06 AMOUNT OF COVERAGE AND COST

A. BASIC COVERAGE. All regular employees will have a minimum of \$10,000 life insurance coverage at no cost to the employee. (Amended 1/1/00)

~~A. B.~~ NORMAL COVERAGE: The amount of a Participant's normal life insurance coverage is twice the Participant's annual rate of pay (rounded to the next higher \$100), excluding overtime pay and all forms of special compensation. Effective January 1, 1997, the cost to a Participant is four cents a month per \$100 of insurance.

PART B

Long Term Disability ELIGIBILITY

This agreement applies to all employees who become eligible for Long-Term Disability on or after January 1, 2000. Employees who become eligible for LTD prior to this date are covered by the previous agreement. (Added 1/1/00)

An All regular employees who is a Participant in Part A of this Plan (Group Life Insurance) is are eligible for Long Term Disability benefits at no additional cost. (Amended 1/1/00)

Termination of membership in the Group Life Insurance feature of the Plan automatically terminates eligibility for Long Term Disability benefits.

PART B

Long Term Disability

2.16 AMOUNT OF LONG-TERM DISABILITY BENEFIT PAYMENTS

Benefit payments under this plan will be the amount necessary to provide income equal to ~~50~~ 66-2/3 percent of the basic monthly rate of the Participant's regular classification in effect on the last day the Participant works prior to becoming disabled. ~~If a Participant becomes eligible for benefit payments on or after the Participant's 61st birthday, such benefit shall be recomputed as of his Normal Retirement Date (as defined in Part III of this Agreement). In such cases, the benefit payments payable subsequent to Normal Retirement Date shall be reduced to provide income equal to 30 percent of such basic monthly rate, or, if the Participant has 20 years of Service at the time the disability commences, the benefit payments payable subsequent to Normal Retirement Date shall be reduced to provide income equal to 40 percent of such basic monthly rate.~~ (Amended 1/1/0089)

A. In computing the Participant's ~~50~~ 66-2/3 percent benefit, the following items will be included:

1. Except as provided in paragraph 2. ~~or 3.~~ below, ~~one-half~~ 100 percent of the Participant's primary social security disability insurance benefit (including back-pay awards) if the Participant is qualified for such benefit. It will be assumed that a Participant qualifies for such social security disability insurance benefit until and unless the Participant's claim is specifically rejected. If the Participant has not received a decision back from Social Security after 90 days subsequent to filing an appeal, Company shall assume Participant does not qualify for such Social Security disability benefit. In order to receive Company LTD benefits including the applicable Social Security offset prior to the final determination of the appeal, Participant must provide Company with a Social Security Administration receipt for appeal and must sign a release authorizing the Company to request information directly from the Social Security Administration regarding the Participant's claim. In the event the Participant subsequently qualifies for such Social Security disability benefit, Participant shall reimburse the Company for applicable Social Security offset and the Participant's benefit under this Plan will be adjusted accordingly. The Administrator will assist Participants in filing claims and social security disability benefits and appealing adverse decisions for such benefits. The Company will not be responsible for any legal expenses incurred by the Participant for filing for Social Security disability benefits. (Amended 1/1/0094)

2. ~~Thirty percent of the Participant's primary social security benefit on Participant's Normal Retirement Date, if the Participant is qualified to continue on Long-Term Disability after such date.~~ (Added 1/1/80-)

2. 100% of the Participant's primary social security retirement benefit on Participant's Normal Retirement Date, if the Participant is qualified to continue on Long-Term Disability after such date. (Added 1/1/00)

3. ~~Forty percent of the Participant's primary social security benefit on Participant's Normal Retirement Date, if the Participant is qualified to continue on Long-Term Disability after such date and if at the time of disability the Participant had 20 years of Service.~~ (Added 1/1/80-)

4. ~~3~~ Benefits payable under the Company's Voluntary Wage Benefit Plan or a state unemployment disability benefit plan.

5. ~~4~~ Temporary Workers' Compensation benefits and supplemental benefits for industrial injury and, for injuries occurring on or after July 1, 1977, any life pension, paid under the Workers' Compensation Act.

6. ~~5.~~ Any other disability benefits payable by an employer under the Weekly Indemnity or Supplemental Indemnity Insurance Plans, or under federal or state laws providing disability benefits toward which the employer must contribute.

7. ~~6.~~ Benefit payment from this Plan, sufficient to bring the Participant's income up to ~~50~~ 66-2/3 percent, ~~40 percent, or 30 percent~~ of the said basic monthly rate, ~~whichever is applicable.~~ (Amended 1/1/0089)

8. ~~7.~~ 100% of any payments received from the Company's pension plan. (Added 1/1/0094)

PART B

Long Term Disability

2.19 DURATION OF LONG-TERM DISABILITY BENEFITS

While a participant follows treatment recommended by their physician, Long Term Disability benefits will be available until the earliest of one of the following: (Amended 1/1/0094)

A The date the Participant's disability ends.

B. The date of the Participant's death.

C. If the primary cause of a Participant's disability is a Mental or Nervous Disorder except for schizophrenia, dementia, organic brain syndromes, delirium, amnesia syndromes or organic delusional or hallucinogenic syndromes, and the Participant is not receiving Social Security disability benefits, Long Term Disability benefits will end immediately after two years from the date the Participant became eligible to receive Long Term Disability benefits unless the Participant is hospitalized, institutionalized (institutionalized shall mean admission on a 24-hour basis to a facility under medical supervision and specializing in the treatment of alcoholism, drug addiction, chemical dependency or Mental or Nervous Disorder illness). So long as Participant is hospitalized or institutionalized, the benefits shall continue for the duration of the Participant's stay. (Added 1/1/00)

~~G D~~ If a Participant becomes eligible for Long Term Disability Benefits before age 61: The Participant's Normal Retirement Date or an Early Retirement Date selected by the Participant under the provisions of the Company's Retirement Plan. (Amended 1-1/0089)

~~E~~ If Participant becomes eligible for Long Term Disability Benefits, at age 61 or older or if the Participant has less than five years of Service with one or more Employers (as each term is defined in the Company's Retirement Plan) at the date of disability: Five years. (Amended 1-

BENEFIT AGREEMENT

/1/0089)

E. If the Participant has five, but less than 15 years of Service with one or more employers at the date of disability: a period equal to the Participant's length of service with an employer.

F. If the Participant has 15 or more years of service with one or more employers at the date of the disability: the date of the Participant's retirement under the provisions of the Company's Retirement Plan.

G. E. The date on which it is determined that a Participant has capabilities to perform the duties of another classification which an employer has made available to the Participant. Such determination by Company that an employee has the capability to perform such duties may be made at any time following the initial determination of disability. (Amended 1/1/00)

H. G. The date on which it is determined that the disabled employee is employed by anyone (including himself) other than employer and such employment provides remuneration of substantial amount in relation to Long Term Disability benefits. The determination of remuneration of substantial amount for a self-employed Participant will be made by measuring a Participant's income over a period of 12 consecutive months. The term "remuneration of substantial amount" means more than 50 percent of the basic monthly rate of the Participant's regular classification in effect on the last day the Participant worked prior to becoming disabled, plus any adjustments made to the Participant's benefit while on LTD. The term "Participant's income" includes gross wages and commissions and net profit before taxes from self-employment..

In order to determine if a Participant is eligible to continue to receive Long Term Disability benefits, the participant may be required to submit a verification of earnings. Failure to provide a verification of earnings within 90 days of request will result in discontinuance of the Participant's benefits. (Added 1/1/91) (Amended 1/1/00)

PART B

Long Term Disability

2.23 WAIVER OF MEDICAL PLAN PREMIUMS

The employer will pay all of the premiums for medical plan coverage applicable to a Participant who is eligible for Long Term Disability benefits for the period of such eligibility. Such payment will cover the premium in effect for any one of the plans available to the employees of an employer during 1976 or to a successor to any of such plans:

The Company will pay all of the premiums for medical plan coverage applicable to a Participant who is not receiving Medicare benefits for the period of Long Term Disability eligibility. Medical premiums for Medicare eligible Participants will be first paid by Medicare and the Company will be the second payer. The Company will reimburse the Participant for monthly Medicare premiums. (Amended 1/1/00)

GROUP LIFE INSURANCE AND LONG-TERM DISABILITY PLAN

Part B - Special Provision A

LTD Adjustment (Added 1/1/00)

Effective January 1, 2000, participants who are receiving Long-Term Disability payments will have their payments increased by the following adjustments:

	<u>Increase</u>
<u>Eligible for LTD before 1/1/81</u>	<u>9.0%</u>
<u>Eligible for LTD between 1/1/81 and 12/31/88</u>	<u>5.0%</u>
<u>Eligible for LTD between 1/1/89 and 12/31/94</u>	<u>2.5%</u>

PART III

RETIREMENT PLAN

3.06 BASIC PENSION BENEFIT FORMULA (Amended 1/1/0084)

A Participant whose Service continues to Normal Retirement Date or beyond 2/ is entitled to a Basic Pension payable on Actual Retirement Date and on the first day of each month thereafter as long as the Participant lives. 3/ The monthly amount of the Basic Pension will be the largest of the amounts produced under (a), (b) or (c) below, and the amount so determined shall take the place of all other retirement income to which a Participant might otherwise have been entitled under any suspended Plan of an Employer or predecessor Company.

2/ See Section 3.09 for the conditions under which this may occur.

3/ See Section 3.10 for the conditions under which other forms of Pension may be substituted for the Basic Pension.

(a) Pension Band Tables

Basic Weekly Pay as of 1/1/989		Pension Band	Monthly Benefit Per Year of Service		
up	to	779.99	1	\$45.26	\$48.36
780	to	789.99	2	\$45.84	\$48.98
790	to	799.99	3	\$46.42	\$49.60
800	to	809.99	4	\$47.00	\$50.22
810	to	819.99	5	\$47.58	\$50.84
820	to	829.99	6	\$48.16	\$51.46
830	to	839.99	7	\$48.74	\$52.08
840	to	849.99	8	\$49.32	\$52.70
850	to	859.99	9	\$49.90	\$53.32
860	to	869.99	10	\$50.48	\$53.94
870	to	879.99	11	\$51.06	\$54.56
880	to	889.99	12	\$51.64	\$55.18
890	to	899.99	13	\$52.22	\$55.80
900	to	909.99	14	\$52.80	\$56.42
910	to	919.99	15	\$53.38	\$57.04
920	to	929.99	16	\$53.96	\$57.66
930	to	939.99	17	\$54.54	\$58.28
940	to	949.99	18	\$55.12	\$58.90
950	to	959.99	19	\$55.70	\$59.52
960	to	969.99	20	\$56.28	\$60.14
970	to	979.99	21	\$56.86	\$60.76
980	to	989.99	22	\$57.44	\$61.38
990	to	999.99	23	\$58.02	\$62.00
1000	to	1009.99	24	\$58.60	\$62.62
1010	to	1019.99	25	\$59.18	\$63.24
1020	to	1029.99	26	\$59.76	\$63.86
1030	to	1039.99	27	\$60.34	\$64.48
1040	to	1049.99	28	\$60.92	\$65.10
1050	to	1059.99	29	\$61.50	\$65.72
1060	to	1069.99	30	\$62.08	\$66.34
1070	to	1079.99	31	\$62.66	\$66.96
1080	to	1089.99	32	\$63.24	\$67.58
1090	to	1099.99	33	\$63.82	\$68.20
1100	to	1109.99	34	\$64.40	\$68.82
1110	to	1119.99	35	\$64.98	\$69.44
1120	to	1129.99	36	\$65.56	\$70.06
1130	to	1139.99	37	\$66.14	\$70.68
1140	to	1149.99	38	\$66.72	\$71.30
1150	to	1159.99	39	\$67.30	\$71.92
1160	to	1169.99	40	\$67.88	\$72.54
1170	to	1179.99	41	\$68.46	\$73.16
1180	to	1189.99	42	\$69.04	\$73.78
1190	to	1199.99	43	\$69.62	\$74.40
1200	to	1209.99	44	\$70.20	\$75.02
1210	to	1219.99	45	\$70.78	\$75.64
1220	to	1229.99	46	\$71.36	\$76.26
1230	to	1239.99	47	\$71.94	\$76.88
1240	to	1249.99	48	\$72.52	\$77.50
1250	to	1259.99	49	\$73.10	\$78.12
1260	to	1269.99	50	\$73.68	\$78.74
1270	to	1279.99	51	\$74.27	\$79.36
1280	to	1289.99	52	\$74.85	\$79.98
1290	to	1299.99	53	\$75.43	\$80.60
1300	to	1309.99	54	\$76.01	\$81.22
1310	to	1319.99	55	\$76.59	\$81.84
1320	to	1329.99	56	\$77.17	\$82.46
1330	to	1339.99	57	\$77.75	\$83.08
1340	to	1349.99	58	\$78.33	\$83.70
1350	to	1359.99	59	\$78.91	\$84.32
1360	to	1369.99	60	\$79.49	\$84.94
1370	to	1379.99	61	\$80.07	\$85.56
1380	to	1389.99	62	\$80.65	\$86.18
1390	to	1399.99	63	\$81.23	\$86.80
1400	to	1409.99	64	\$81.81	\$87.42
1410	to	1419.99	65	\$82.39	\$88.04
1420	to	1429.99	66	\$82.97	\$88.66
1430	to	1439.99	67	\$83.55	\$89.28
1440	and	up	68	\$84.13	\$89.90

(i) The Monthly Benefit amount shown in the Pension Band Table times Years of Service shall be compiled to the nearest half month.

(ii) The Monthly Benefit Per Year of Service amounts shall continue to reflect any increase of the Participants Basic Weekly Pay which is effective on January first of each year. (Amended 1/1/91)

(iii) Each active Employee on Actual Retirement Date, or active Employee terminating employment with a vested Plan benefit on Severance from Service Date shall be placed in a pension band which reflects the Participant's straight time rate of pay for the basic work week as of January first or the top rate of pay for the Employee's basic classification as of January first, whichever is greater, not including any temporary upgrade pay, any premium pay or any

BENEFIT AGREEMENT

benefits of any kind. This rate of pay will be increased by 2.75% for all clerical Employees who receive the 1988 Lump Sum payments; or by 3.75% for clerical Employees who receive the 1988 and 1989 Lump Sum payments, in accordance with the Clerical Agreement; or by 4% for all Pacific Gas Transmission Company Employees who receive the 1991 PGT Lump Sum payment. (Amended 1/1/91)

(iv) The minimum Basic Weekly Pay amount in (a) above shall be adjusted to reflect the general wage increase which is effective on January first of each year. (Added 1/1/91)

(v) ADDITIONAL RETIREMENT INCOME (Amended 1/1/91)

Each Participant shall upon retirement, in addition to the monthly pension benefit provided for in Subsection 3.06(a) above, be entitled to additional monthly Pension income, as computed below, for shift premiums, Sunday premiums, and nuclear premiums.

Additional Retirement Income is computed as follows:

The actual straight-time compensation received by Participant for shift premiums, Sunday premiums, and nuclear premiums during Participant's last calendar year prior to retirement shall be totaled and divided by the total number of weeks worked in that year (52 weeks in a year) which will result in an average premium per week. In computing the actual straight-time compensation, that portion of a Participant's annual compensation which, when added to the Participant's Basic Weekly Pay exceeds \$200,000 for 1989, multiplied by the adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Internal Revenue Code for years beginning after December 31, 1989, shall be discarded in calculating Additional Retirement Income. The average premium per week will then be multiplied by the current factor which will result in a monthly benefit per year of Service amount. The factor referred to is computed on the effective date of any Plan agreement by dividing applicable first year Monthly Benefit Per Year of Service amount by the maximum Basic Weekly Pay provided for that monthly amount. For example, assuming the 1991 Pension Band 9 applies to a Participant who retires in any year of the contract term, the factor would be $\frac{.0620}{\$36.55 - \$629.99} = .0620 / \$593.44 = .01045$ (~~05802~~ ~~0620~~ ~~(\$36.55 - \$629.99)~~ ~~(\$53.32 / \$59.99)~~). The monthly benefit per year of Service amount will then be multiplied by the Participant's Credited years of Service which will result in the Additional Monthly Retirement Income. (Amended 1/1/00)

Calculation:

1.	Total of Shift, Sunday & Nuclear Premiums Received in Previous Calendar Year	\$2,050.46	
2.	Weeks in One Year	(divided by) 52	
3.	Average Premium Per Week	= \$39.43	
4.	Current Factor	(\$36.55 / \$629.99) (\$53.32 / \$59.99)	x 05802 0620
5.	Monthly Benefit Per Year of Service	= \$2.29 \$2.45	
6.	Participants Credited Years of Service (Assume 30)	x 30	
7.	Additional Monthly Retirement Income =	\$68.70	

(b) Applicable only to Participants whose Service began on or before December 31, 1976, and who retire with four to 20 years of Service at age 55 or more or who quit prior to age 55 and who have at least 10 years of Service but less than 20 years of Service: (effective until January 1, 1997).

3.07 EARLY RETIREMENT PENSION BENEFIT FORMULA

If a Participant's Service ends after the first day of the month following said Participant's 55th birthday, and before Normal Retirement Date or death, the Participant shall elect to receive either:

(a) A Basic Pension computed as provided in Section 3.06 or a Marital Pension computed as provided in Section 3.10(b), whichever is applicable, payable beginning with Normal Retirement Date; or

(b) An Early Retirement Pension with payments to begin on the Participant's Early Retirement Date and to continue on the first day of each month thereafter as long as Participant lives. Early Retirement Date is the date selected by the Participant for commencement of payment of retirement benefits. This date must be the first day of any month after the termination of Service and before the Participant's 65th birthday. To elect an Early Retirement Pension, Participant must notify the Employer in writing at least 30 days before the Early Retirement Date the Participant selects.

The monthly amount of the Participant's Early Retirement Pension 4/ will be as follows:

(1) If Participant has less than 15 years of Service on the Early Retirement Date, the amount of the Basic Pension shall be reduced by one-fourth of one percent for each month (three percent per year) between Participant's Normal Retirement Date and Participant's Early Retirement Date; or

(2) If Participant has at least 15 but less than 30 years of Service and is 62 years of age or older on the Early Retirement Date, the amount shall be the Participant's Basic Pension computed to the Participant's Early Retirement Date; or

(3) If Participant has at least 15 but less than 25 years of Service and is less than 62 years of age on the Early Retirement Date, the amount of the Basic Pension shall be reduced by one-fourth of one percent for each month (three percent per year) by which Participant's Early Retirement Date precedes Participant's 62nd birthday, and further reduced by 1/12th of one percent for each month (one percent per year) by which Participant's Early Retirement Date

precedes Participant's 60th birthday; or (Amended 1/1/81)

(4) If Participant has at least 25 but less than 30 years of Service and is less than 62 years of age on the Early Retirement Date, the amount of the Basic Pension shall be reduced by one-fourth of one percent for each month (three percent per year) by which Participant's Early Retirement Date precedes Participant's 62nd birthday; or (Added 1/1/81)

(5) If Participant has at least 30 but less than 35 years of Service and is 60 years of age or older on the Early Retirement Date, the amount shall be the Participant's Basic Pension computed to the Participant's Early Retirement Date; or (Added 1/1/81)

(6) If Participant has at least 30 but less than 35 years of Service and is less than 60 years of age on the Early Retirement Date, the amount of the Basic Pension shall be reduced by one-half of one percent for each month between Participant's 59th and 60th birthdays (a maximum of six percent (6%) for that one year) and further reduced by one-fourth of one percent for each month (three percent per year) by which Participant's Early Retirement Date precedes Participant's 59th birthday; or (Amended 1/1/88)

(7) (5) If Participant has at least 35 30 years of Service and is 55 years of age or older on the Early Retirement Date, the amount shall be the Participant's Basic Pension computed to the Participant's Early Retirement Date. (Added 1/1/81) (Amended 1/1/00)

RETIREMENT PLAN

SPECIAL PROVISION B

(Amended 1/1/0081)
EARLY RETIREMENT REDUCTIONS
(Month of Participant's Birthdate)
(In Percentage Points)

Credited Service

Age	Less Than 15 Years	15 Thru 24 Years	25 Thru 29 Years	30 Thru 34 Years	35 Years And Above
64	3	0	0	0	0
63	6	0	0	0	0
62	9	0	0	0	0
61	12	3	3	0	0
60	15	6	6	0	0
59	18	10	9	6 0	0
58	21	14	12	9 0	0
57	24	18	15	12 0	0
56	27	22	18	15 0	0
55	30	26	21	18 0	0

SPECIAL PROVISION G

PENSION AND LTD ADJUSTMENTS

(Amended 1/1/0094)

(a) Effective December 31, 1993 1999, the Pension of any Participant who actually retired from the bargaining unit represented by Union or the Pension of a person receiving a Spouse's Pension or a Joint Pension, will be increased as follows:

Increase

Retired on or before 12/31/73 1/1/81	9.0%
Retired between 1/1/74 and 12/31/83 1/1/81 and 12/31/88	5.0%
Retired between 1/1/84 and 12/31/89 1/1/89 and 12/31/94	2.5%

A minimum monthly increase of \$50 will be provided to retirees with at least 30 years of Service, and a retirement date at or after normal retirement age. A minimum monthly increase of \$25 will be provided to surviving spouses of such retirees. (Amended 1/1/94)

The above adjustment shall apply to those Participants who are receiving Long-Term Disability Benefit payments. (Added 1/1/84)

(-e) (b) By Company resolutions dates June 17, 1964, February 25, 1969, April 9, 1974, September 20, 1977, March 4, 1980, July 15, 1981, December 21, 1983, and December 19, 1990, the amounts of pensions received by certain pensioners were increased in accordance with the provisions of said resolutions. The money required to fund these additional payments is based on actuarial factors and the required contributions are paid into the Plan. The Company intends to continue making these additional payments out of Plan assets and on the same basis as it has done in the past. (Amended 1/1/0091)

THE INVESTMENT FUNDS

4.14 Transfer of Investment Fund Balances

(c) Eligible Transfers of PG&E Corporation Stock Fund: Plan participants shall not be permitted to make more than one exchange into or out of the PG&E Corporation Stock Fund in any seven day period. (Added 1/1/00)

ADDRESS	LOCATION	DAY	UNION REP DATE	UNION REP NAME	UNIT NAME
Catal & Shields	Catal Lanes	Tuesday	11/23/99	CYNY	1111 FRESNO
300 W. Valley St	Labor Hall	Wednesday	11/24/99	GRILL	1112 BAKERSFIELD
2175 Park Street	21st St. Post Office	Thursday	11/25/99	LYNN	1120 SELMA
1000 W. 10th St	10th St. Post Office	Wednesday	11/24/99	GRILL	1121 BAKERSFIELD
188 D. Green	188th St. Post Office	Thursday	11/25/99	GRILL	1128 LEMOORE
Albany Road	Albany Post Office	Tuesday	11/23/99	LYNN	1132 AMERSTADT
1000 W. 10th St	10th St. Post Office	Wednesday	11/24/99	CARDO	1171 JUNE CITY
1000 W. 10th St	10th St. Post Office	Thursday	11/25/99	CARDO	1172 JUNE CITY
1000 W. 10th St	10th St. Post Office	Friday	11/26/99	CARDO	1173 JUNE CITY
1000 W. 10th St	10th St. Post Office	Saturday	11/27/99	CARDO	1174 JUNE CITY
1000 W. 10th St	10th St. Post Office	Sunday	11/28/99	CARDO	1175 JUNE CITY
1000 W. 10th St	10th St. Post Office	Monday	11/29/99	CARDO	1176 JUNE CITY
1000 W. 10th St	10th St. Post Office	Tuesday	11/30/99	CARDO	1177 JUNE CITY
1000 W. 10th St	10th St. Post Office	Wednesday	12/1/99	CARDO	1178 JUNE CITY
1000 W. 10th St	10th St. Post Office	Thursday	12/2/99	CARDO	1179 JUNE CITY
1000 W. 10th St	10th St. Post Office	Friday	12/3/99	CARDO	1180 JUNE CITY
1000 W. 10th St	10th St. Post Office	Saturday	12/4/99	CARDO	1181 JUNE CITY
1000 W. 10th St	10th St. Post Office	Sunday	12/5/99	CARDO	1182 JUNE CITY
1000 W. 10th St	10th St. Post Office	Monday	12/6/99	CARDO	1183 JUNE CITY
1000 W. 10th St	10th St. Post Office	Tuesday	12/7/99	CARDO	1184 JUNE CITY
1000 W. 10th St	10th St. Post Office	Wednesday	12/8/99	CARDO	1185 JUNE CITY
1000 W. 10th St	10th St. Post Office	Thursday	12/9/99	CARDO	1186 JUNE CITY
1000 W. 10th St	10th St. Post Office	Friday	12/10/99	CARDO	1187 JUNE CITY
1000 W. 10th St	10th St. Post Office	Saturday	12/11/99	CARDO	1188 JUNE CITY
1000 W. 10th St	10th St. Post Office	Sunday	12/12/99	CARDO	1189 JUNE CITY
1000 W. 10th St	10th St. Post Office	Monday	12/13/99	CARDO	1190 JUNE CITY
1000 W. 10th St	10th St. Post Office	Tuesday	12/14/99	CARDO	1191 JUNE CITY
1000 W. 10th St	10th St. Post Office	Wednesday	12/15/99	CARDO	1192 JUNE CITY
1000 W. 10th St	10th St. Post Office	Thursday	12/16/99	CARDO	1193 JUNE CITY
1000 W. 10th St	10th St. Post Office	Friday	12/17/99	CARDO	1194 JUNE CITY
1000 W. 10th St	10th St. Post Office	Saturday	12/18/99	CARDO	1195 JUNE CITY
1000 W. 10th St	10th St. Post Office	Sunday	12/19/99	CARDO	1196 JUNE CITY
1000 W. 10th St	10th St. Post Office	Monday	12/20/99	CARDO	1197 JUNE CITY
1000 W. 10th St	10th St. Post Office	Tuesday	12/21/99	CARDO	1198 JUNE CITY
1000 W. 10th St	10th St. Post Office	Wednesday	12/22/99	CARDO	1199 JUNE CITY
1000 W. 10th St	10th St. Post Office	Thursday	12/23/99	CARDO	1200 JUNE CITY

**See Next Page for November Unit Meeting Schedule.
Attend Your Unit Meeting for a Full Discussion
of the Tentative Labor Agreement.**

LIST OF UNIT MEETINGS

Find out more—attend your November unit meeting!

#	UNIT NAME	UNION REP	DATE	DAY	LOCATION	ADDRESS
1111	FRESNO	LYNN	11/9/99	Tuesday	Cedar Lanes	Cedar & Shields
1112	BAKERSFIELD	GRILL	11/10/99	Wednesday	Labor Hall	200 W. Jeffery St.
1120	SELMA	LYNN	11/18/99	Thursday	Sal's Mex. Restaurant	2163 Park Street
1121	COALINGA	GRILL	11/3/99	Wednesday	PGE Downtown Office	Coalinga
1123	MERCED	HUGHES	11/5/99	Friday	Branding Iron	640 W. 16th
1128	LEMOORE	GRILL	11/11/99*	Thursday	Fleet Reserve	788 "D" Street
1129	AUBERRY	LYNN	11/16/99	Tuesday	Daddy Joe's	Auberry Road
1211	SALINAS	CARUSO	11/9/99	Tuesday	Mountain Mike's Pizza	E. Alisal Street
1213	KING CITY	CARUSO	11/17/99	Wednesday	Round Table Pizza	500 B Canal Street
1215	PISMO BEACH	HAENTJENS	11/18/99	Thursday	Del's Pizzeria	Shell Beach
1216	SANTA MARIA	HAENTJENS	11/9/99	Tuesday	Giavanni's Pizza	Orcutt
1217	TEMPLETON	HAENTJENS	11/16/99	Tuesday	The Pizza Place	Templeton
1219	HOLLISTER	CARUSO	11/10/99	Wednesday	Straw Hat Pizza	191-A San Felipe
1220	DIABLO CNYN	HAENTJENS	11/10/99	Wednesday	Margie's Diner	San Luis Obispo
1221	BUELLTON	HAENTJENS	11/15/99	Monday	Antonio's Pizza	Buellton
1311	HINKLEY	GRILL	NO MTG			
1313	TOPOCK	GRILL	NO MTG			
1314	KETTLEMAN	GRILL	11/16/99	Tuesday	PSEA Rec. Room	Kettleman Station
1511	SAN JOSE	MAAS	11/3/99	Wednesday	Straw Hat Pizza	1535 Meridian Avenue
1512	PENINSULA	STERN	11/10/99	Wednesday	T.W.U. Local 505	1521 Rollins Road; Millbrae
1513	SANTA CRUZ	CARUSO	11/16/99	Tuesday	VFW Post #7263	2269 - 7th Avenue
2301	EAST BAY CLERICAL	WASHINGTON	11/3/99	Wednesday	Hacienda Restaurant	12020 San Pablo; Richmond
2311	OAKLAND PHYSICAL	WASHINGTON	11/2/99	Tuesday	Francesco's	Hegenberger & Pardee
2314	HAYWRD/LIV/FREMNT	MAZZANTI	11/17/99	Wednesday	Round Table Pizza	28261 Patio Dr; Castro Vly.
2316	CONCORD	SAXSENMEIER	11/18/99	Thursday	IBEW Local 1245	Walnut Creek
2317	ANTIOCH	SAXSENMEIER	11/10/99	Wednesday	Aladino's Pizza	1324 Sunset Drive
2318	RICHMOND	WASHINGTON	11/3/99	Wednesday	Hacienda Restaurant	12020 San Pablo; Richmond
2401	SAN FRAN./CLERICAL	WOLFE	11/10/99	Wednesday	Beale Street Bar & Grill	133 Beale Street; San Francisco
2412	SAN FRANCISCO	STERN	11/3/99	Wednesday	Ship Clerks Union Hall	4 Berry St.; San Francisco
2511	STOCKTON	HUGHES	11/18/99	Thursday	Ed Stewart Post	3110 N. West Lane
2512	ANGEL'S CAMP	HUGHES	11/11/99*	Thursday	Mike's Pizza	Hwy. 49; Murphy's Grade
2513	JACKSON	HUGHES	11/9/99	Tuesday	Mountain Mike's Pizza	525 S. Hwy 49
2515	MODESTO	HUGHES	11/17/99	Wednesday	Days Inn	1312 McHenry
2517	SONORA	HUGHES	11/16/99	Tuesday	Stuff Pizza	Hwy 108 East
2519	TIGER CRK PWRHSE	HUGHES	11/23/99	Tuesday	Pioneer Vets Hall	25100 Buckhorn Ridge
3111	EUREKA	RUNNINGS	11/9/99	Tuesday	Labor Temple	9th & E Street
3212	REDDING	STICE	11/10/99	Wednesday	Pietros	995 Hilltop Drive
3213	BURNEY	STICE	11/9/99	Tuesday	Sam's Pizza	Johnson Park
3214	RED BLUFF	STICE	11/11/99*	Thursday	The Green Barn	#5 Chestnut
3412	QUINCY	STICE	11/3/99	Wednesday	Moon's Pizza	Lawrence Street
3417	PARADISE	STICE	11/4/99	Thursday	Red Lion Pizza	6611 Skyway
3511	AUBURN	CARTER	11/9/99	Tuesday	Moose Lodge	Sacramento & High
3513	GRASS VALLEY	CARTER	11/10/99	Wednesday	Swiss House	535 Mill Street
3611	MARYSVILLE	CARTER	11/3/99	Wednesday	Marcella's	1245 Bridge Street
3613	OROVILLE	STICE	11/16/99	Tuesday	Eagle's Hall	2010 Montgomery
3711	MARIN COUNTY	PIERCE	11/10/99	Wednesday	Round Table Pizza	S. Novato Blvd.; Novato
3712	SANTA ROSA	PIERCE	11/2/99	Tuesday	Round Table Pizza	Steele & Cleaveland
3713	EAST GEYSERS	RUNNINGS	11/4/99	Thursday	Starview Lodge	Gifford Springs Road; Cobb
3714	UKIAH	RUNNINGS	11/3/99	Wednesday	Wright Stuff Pizzadrome	720 N. Main St.; Ukiah
3715	LAKEPORT	RUNNINGS	11/2/99	Tuesday	Senior Center	527 Konocti Avenue
3716	NAPA/VALLEJO	PIERCE	11/4/99	Thursday	Mary's Pizza	Jefferson St.; Napa
3717	FT BRAGG/PT ARENA	RUNNINGS	11/18/99	Thursday	Masonic Temple	426 N. Main
3718	WEST GEYSERS	RUNNINGS	11/16/99	Tuesday	Gorgio's Pizza	Healdsburg Avenue
3801	SACRAMENTO CLER	GREER	11/18/99	Thursday	Sac. Labor Council	2840 El Centro
3811	SACRAMENTO	GREER	11/3/99	Wednesday	Florin Odd Fellow	8360 Florin Road
3812	VACAVILLE	GREER	11/9/99	Tuesday	140 Browns Valley Pkwy	Vacaville
3813	PLACERVILLE	CARTER	11/2/99	Tuesday	Spanky's Pizza	197 Placerville Drive
3814	WOODLAND	GREER	11/4/99	Thursday	American Legion Hall	523 Brush Street

*Note: November 11 meetings subject to change due to Veterans Day holiday.