



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 15-49-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS
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WALNUT CREEK, CA 94598
925.974.4461
ROBERT JOGA
SENIOR DIRECTOR

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
707.452.2700
TOM DALZELL
BUSINESS MANAGER

November 18, 2015

Mr. Tom Dalzell, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Dalzell:

Since Letter Agreement 13-19-PGE was implemented, the timeline to complete the consolidation and staffing of the Electric Distribution Control Centers has extended into the third quarter of 2016. This extension is beyond the initial timelines set forth within Letter Agreement 13-19. As provided for in Letter Agreement 13-19, the parties have met to address the impacts of this change.

Based upon those discussions, the parties have agreed to the following:

Section 1 - Continuing Provisions

New Employees

The Company has either hired or is in the process of hiring a number of Apprentice System Operators and Provisional System Operators into either new Consolidated Control Centers or legacy Control Centers, within the jurisdiction of one of the three new Consolidated Control Center sites. Apprentices and Provisional Operators have been and will be hired with the understanding that, when their headquarters closes, their new headquarters will become the new Consolidated Control Center within their Area of Jurisdiction. They will not be eligible for any retention offers, nor will the provisions of Title 206 apply to their transition from their legacy Control Center into the new Consolidated Control Center. For training purposes, these employees may be assigned to work in several legacy Control Centers within the jurisdiction of their future Consolidated Control Center. While assigned to such headquarters, the provisions of Title 202 regarding reporting to a temporary headquarters will apply.

Incumbents

The provisions of this agreement shall apply to employees who had been previously determined as Incumbents under LA 13-19. These employees will continue to be covered by the provisions of Title 206.1 of the agreement and will receive displacement notification under Section 206.2 as their respective legacy center closes.

Moving Allowance

All affected employees who are eligible for the Section 206.8 Moving Allowance as a result of relocating to a position in one of the new control centers will be eligible for an enhanced moving allowance of \$5,000. Employees will not be required to relocate to be eligible for the allowance. Eligible employees will receive the allowance as a flat amount rather than as reimbursement for covered expenses as in Section 206.8. The moving allowance is not factored into wages for overtime, 401K, or retirement purposes.

Section 2 - Retention Provisions for Those Displaced Prior to 2016

Incumbents who are displaced from their originally assigned legacy Control Center prior to January 1, 2016, will continue with the terms and provisions of their signed Retention Agreement as well as rights under Title 206 in accordance with LA 13-19.

In addition to the above, these employees will be provided a one-time voluntary opportunity to extend the provisions of their Retention Agreements as follows:

The employee may volunteer to extend the terms and conditions of their Retention Agreement to begin on January 1, 2016, and run for the term initially elected by the employee. Should an employee agree to extend the retention period, he or she will be provided a one-time payment of \$1,250 per month for each month which will be calculated at the beginning of each month between the employee's displacement from their originally assigned legacy Control Center and January 1, 2016. The extended Retention Agreement includes the opportunity for a deferred severance option at the end of the extended retention period.

Once provided notice, the Incumbents will have until December 3, 2015, to return the extended Retention Agreement election form. Active employees who are off work during this option period will be provided no less than seven calendar days after receiving their election forms to submit them, and the due date of December 3, 2015, will be adjusted accordingly.

The Company will provide the deferred Section 206.7 severance option within 30 days of the end of the Retention Agreement.

Section 3 - Retention Agreements for those Displaced after December 31, 2015

Incumbents who have previously selected Options A, B, C or D under the provisions of Letter Agreement 13-19 and who are displaced from their originally assigned legacy Control Center on or after January 1, 2016, will be provided a voluntary option to either:

Option 1 - Incumbent continues with all terms and provisions of their Retention Selection and prior Retention Agreement. During December 2015, Incumbent will receive \$3,750 for each quarter or portion thereof that it is anticipated the employee will be delayed from reporting to their selected Consolidated Control Center after January 1, 2016. The anticipated closure dates are provided in Attachment 1. In the event that the Incumbents have not reported to the Consolidated Control Center within the anticipated quarter, then the employees will receive an additional \$3,750 at the beginning of each of any following quarters.

Option 2 - Incumbent declines to continue with their previously selected commitment. This would restore the employee's Title 205 Bidding Rights and continue eligibility for the provisions of Title 206 effective January 1, 2016. Incumbents who select this option will not receive additional compensation for delayed reporting and will not have any deferred severance options. An employee who does not submit an election form to indicate a preference of Option 1 or Option 2 will default to Option 2.

The above options will be provided in writing as soon as possible after the execution of this agreement. Incumbents will have until December 3, 2015, to return their election form. Active employees who are off work during this option period will be provided no less than seven calendar days after receiving their election forms to submit them, and the due date of December 3, 2015, will be adjusted accordingly.

The parties also agreed to document that beginning January 1, 2016, the effective date of any Option B, C or D retention period under Section 3 of this agreement would begin with the Transition Date of the legacy center. This is the date of formal closure or when 100% authority, oversight, and operations have been transferred to the Consolidated Control Center.

Section 4 - Retention Bonus Payment

Employees continuing with one of the retention bonuses from Letter Agreement 13-19 will have the retention payment factored into their wages for all overtime hours worked during the period of time they committed to, in accordance with FLSA guidelines (see example below). The factored payment will be calculated and paid on an

annual basis from the start of the retention period, and at the end of the retention period for any remaining months.

Example of Overtime Computation: In the following calculation, a \$20,000 retention payment was earned over 24 months or 104 weeks, for a weekly equivalent of \$192.30 (\$20,000 ÷ 104 weeks). If the employee worked ten hours of overtime in a week, the employee would be due an additional \$19.23 in overtime earnings as follows:

$\$192.30 \div 50 \text{ hours} = \3.85 (increase in the regular rate)

$\$3.85 \times \frac{1}{2} = \1.92 (increase in the additional half-time rate)

$\$1.92 \times 10 \text{ hours of overtime worked} = \19.23 (increase in overtime earnings due to the bonus)

The additional payments outlined in Section 2 and 3 of this Letter Agreement shall be lump sum payments and will not be factored into their wages for the purposes of overtime.

Section 5 - Displacement Process

In accordance with Title 206 and LA 99-72, the parties agree to the following Displacement Process for all regular status employees displaced from a Legacy Control Center.

System Operators will be given a Displacement Option notice that provides seven calendar days to select the following:

1. Opportunity to fill a position at the Consolidated Control Center corresponding to their current legacy center or to fill any vacancy at another Consolidated Control Center
2. Layoff with Severance (Under Section 206.7)
3. Employment opportunity from a list of beginning level Title 200 vacancies. Employee must meet qualification requirements at time of election. If more than one person is interested in the same position, job award will be based on seniority.
4. Title 206 options. The employee will have 12 calendar days from date of 206.2 Notice to complete/update the Employee Election Form.

Section 6 - Unanticipated Changes

Should any unforeseen circumstances occur to cause delay or cancellation of the Distribution Control Center Consolidation beyond July 31, 2017, the parties will meet as far in advance as possible to address any impacts to the employees as a result of this change. If the parties are unable to reach agreement to address the impacts caused by delay or cancellation of the project by July 31, 2017, then the retention commitments made by employees will expire, and their bid and transfer rights will be restored.

If you agree, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 

Robert Joga
Senior Director

The Union is in agreement.

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

By: 

Tom Dalzell
Business Manager

November 19, 2015

2016 Consolidated Control Center
Staffing Schedule

First Quarter 2016

Auburn

Second Quarter 2016

North Valley, Humboldt, Ignacio, Diablo, East Bay

Third Quarter 2016

Golden Gate