

**Memorandum of Agreement
between
Wellington Power Corporation
and
International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245
for
PG&E AMI Project**

AGREEMENT

This Agreement is entered into this 13th day of March, 2006, between Wellington Power Corporation and its successors, hereinafter called the Employer and the International Brotherhood of Electrical Workers Local Union No. 1245, hereinafter called the Union and is applicable for all contracted work for the PG&E AMI Project.

This Agreement shall continue in effect until the completion of the PG&E AMI Project or until terminated by mutual agreement between the above parties.

ARTICLE I – RECOGNITION

- 1.1 The Employer recognizes the Union as the sole and exclusive collective bargaining agent for all of the Employer's Meter Technicians, employees employed retrofitting meters, and clerical employees, hereinafter called the Employees, working in all places where work is being performed or is to be performed by the Employer or by a person, firm, or corporation owned or financially controlled by the Employer, excluding all, professional employees, supervisors, guards and all other management employees as defined in the National Labor Relations Act (NLRA).

ARTICLE II – SCOPE OF WORK

- 2.1 This Agreement covers the field removal, installation, and testing of electric and gas utility meters. It is understood, in the case of gas, Meter Technicians as described herein will not replace any meter that interferes with the flow of gas.
- 2.2 Non-union supervisors and other employees outside of the bargaining unit shall not be assigned or permitted to perform any of the work covered by this Agreement. The Employer will not sublet, assign, or transfer any of the work covered by or associated with this Agreement to any person, firm, or corporation that does not recognize IBEW Local 1245 as the collective bargaining agent for its Employees.
- 2.3 Nothing in this Agreement shall be construed to mean that qualified IBEW linemen otherwise employed by the Employer shall not be permitted to perform any aspect of the work covered herein in the normal course of their duties.
- 2.4 The Employer recognizes that the trade jurisdiction of the Union and the territorial jurisdiction of IBEW Local Unions are not subject to negotiations, but rather are determined solely within the Union by the International President and, therefore, agrees to be bound by such determination.

- 2.5 When electrical metering work is required that is not covered by this Agreement, the Employer agrees to employ journeymen linemen covered by Local 1245's outside line agreement.
- 2.6 A Meter Technician may work alone on any job for which the Employer has trained the Employee and has certified the Employee to work on or near voltages of 240 volts or less. A Meter Technician will be trained in replacing single phase meters. A Meter Technician may also work alone on any job for which the Employer has trained the Employee relating to gas meter automation, provided such work does not interrupt the flow of gas.
- 2.7 A Meter Technician will not be assigned to perform work on three-phase meters. Additionally, a Meter Technician will not be assigned to perform work on A or K base meters regardless of operating voltage.
- 2.8 A or K base meter replacements, three phase meters, and repairs to electric service equipment shall be performed by Journeymen Linemen.

ARTICLE III – UNION SECURITY

- 3.1 On the 31st day following the effective date of this Agreement or on the 31st day following the beginning of employment with the Employer, whichever is later, membership in the Union shall be required by each Employee in the bargaining unit as a condition of employment subject to the provisions of Section 8(a)(3) of the Labor-Management Relations Act, 1947, as amended.
- 3.2 For the first sixty (60) days of employment, all new Meter Technicians shall be on probation. If, during this probationary period, the Employer believes a probationary Employee is not qualified for the position to be filled, the Employer may terminate the employment of the Employee and this termination shall not be grievable. During the probationary period of employment, the probationary Employee shall work under the terms and conditions and receive not less than the minimum rate of pay established in this Agreement. The Employer shall notify the Union in writing, within forty-eight (48) hours, of the hiring of any new Employee.
- 3.3 The Employer agrees to give hiring preference to Meter Technicians from displaced "qualified" utility workers in whose service area the metering work is to be performed. The Employer shall contact the ~~Local Union responsible for such workers, if applicable,~~ to determine if there are displaced workers qualified to perform the work.

- 3.4 The Employer will deduct from the wages of the Employees such fees and dues as required, complying with Section 3.1. The Employer shall receive from each Employee on whose account such deductions are to be made, an individually signed check-off authorization card which shall be irrevocable for successive periods of one (1) year or successive terms of this Agreement, provided they are revoked within the specified period set forth on the check-off authorization card.
- 3.5 The form of check-off authorization card is attached hereto as "Exhibit A," and by reference, is made a part of the Agreement. Such deductions, as referred to in Section 3.3, shall be made from the wages paid and shall be remitted within fifteen (15) days following the month in which deductions were made to the Financial Secretary of the appropriate Local Union.

ARTICLE IV – NO STRIKE – NO LOCKOUT

- 4.1 There will be no strike, refusal to work, slow-down, sit-down, picketing or boycott by the Union during the term of this Agreement. There will be no lockout on the part of the Employer during the term of this Agreement.

ARTICLE V –WAGE RATES AND PAYMENT

- 5.1 No less than the wage rates in Appendix A shall apply for all work performed under this Agreement. The rates in Appendix A are valid for Year 2005. Appendix A rates shall be increased by 3.75% annually, beginning January 1, 2006 and continuing through January 1, 2011. With the agreement of the Union, the Employer may establish performance incentives for any classification.
- 5.2 Wages shall be paid weekly in cash or by payroll check on a local bank not later than quitting time on Friday and not more than three (3) days' wages may be withheld at that time. The Employer will either pay the worker at the job site during regular working hours or allow sufficient time during regular working hours to report to the shop to receive payment.
- 5.3 Employees may voluntarily allow for direct electronic deposit of wages on a weekly basis to a financial institution of the Employee's choice. This manner of payment, once adopted, may not be changed except upon fourteen (14) days' advance written notification between the Employee and Employer, with notification copied to the Union.
- 5.4 Payment of terminated Employees shall be as follows:

5.4.1 When an Employee quits, the Employee must be paid by the normal quitting time on Monday of the week following the last day of employment. The Employer's check for the wages owed shall be mailed by certified letter, return receipt requested, and postmarked no later than Sunday of the week following Employee's last day of work.

5.4.2 When an Employee is fired, the Employer must issue payment of all wages owed within twenty-four (24) hours of such termination.

5.4.3 When an Employee is laid-off:

A. If laid off during a normal workday, the Employer must pay the Employee, before the normal quitting time on the day of the layoff, all wages that are owed to such Employee.

B. If laid off on Saturday, Sunday or a holiday (when the Employer's office is closed):

(1) All wages owed to the Employee must be paid by the following regular workday.

(2) If agreed to by the Employee, the Employer may mail the check for the wages owed to the Employee by certified letter, return receipt requested, and postmarked no later than the next regular work day following such lay-off.

(3) The Employee may report to the job site or the Employer's place of business the following work day to receive the wages owed at a designated time with no show-up time owed to the Employee.

5.5 If any Employee is not paid according to the time period established in Article V, the Employer shall owe the Employee four (4) hours' pay for each twenty-four (24) hour period that the Employee must wait to receive his wages due.

ARTICLE VI – HOURS AND OVERTIME

6.1 Eight (8) consecutive hours shall constitute a workday, between the hours of 7:00 am and 8:30 pm, with an unpaid thirty (30) minute lunch break. Five (5) consecutive days, Monday through Saturday, consisting of forty (40) hours, shall constitute the normal workweek. Nothing in this Section guarantees that forty (40) hours of work each week will be available to all Employees.

- 6.2 In the event Employees are unable to work due to inclement weather conditions, holiday observance, or other circumstances beyond the control of the Employer, Saturday may be used as a make-up day at the straight time hourly rate if time lost of five (5) hours or more was incurred.
- 6.3 In the event Saturday qualifies as a make-up day, the parties hereby agree that such make-up day will be scheduled and the Employer agrees to schedule work to fulfill at least the lost time resulting from any of the acts specified in Section 6.2.
- 6.4 Employees will not be disciplined for refusing to work any designated make-up day.
- 6.5 If 75% of the employees in a headquarters elect, the Employer may institute a workweek consisting of four (4) consecutive ten (10) hour days, Monday through Friday, with an unpaid thirty (30) minute lunch break. In the event Employees are unable to work due to inclement weather conditions, holiday observance, or other circumstances beyond the control of the Employer, (a) make-up day(s) may be schedule on Friday and/or Saturday at the straight time hourly rate, if time lost of five (5) hours or more was incurred.
- 6.6 Consistent with efficient operations, the Employer will make reasonable effort to distribute overtime equitable among the Employees. There shall be no provision to take time off in lieu of overtime pay. All overtime and premium time shall be paid for as follows:
- 6.6.1 After either eight (8) or ten (10) hours in a workday, or forty (40) hours in a normally scheduled workweek, overtime shall be paid at the rate of one and one-half time (1½) the regular rate of pay, except for Sundays and holidays, which shall be paid at double the straight time hourly rate of pay, and make-up days paid at the straight time hourly rate up to the forty (40) hour workweek.
- 6.7 There shall be no pyramiding of overtime rates and double the straight time hourly rate shall be the maximum overtime multiple for any hours worked.
- 6.8 The Employee's day shall start and end at a designated deployment center determined by the Employer. Employees shall be at that location, ready to go to work, at the start of their shift.
- 6.9 A shift differential of twenty-five cents (\$.25) shall be added to the base pay for each hour worked on a second shift defined as eight consecutive hours immediately following the regular scheduled day shift.

- 6.10 If the Employees report to work and are not put to work, they shall be paid for all time they are directed to remain available for work and shall be compensated a minimum of two (2) hours' pay at the appropriate rate for that day. Once the Employees start to work, they shall be compensated a minimum of four (4) hours' pay at the appropriate rate for that day.
- 6.11 An Employee reporting late for work shall be docked in one quarter (0.25) hour segments. An Employee working overtime shall be paid in one-quarter (0.25) hour segments.

ARTICLE VII – HOLIDAYS

- 7.1 Except to protect life or property, or by mutual consent, no work shall be performed on the following holidays: New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.
- 7.2 The Employees shall be paid eight (8) hours their normal straight time hourly wage rate for each of the holidays listed in Section 7.1. Should it become necessary to work on the days on which the foregoing holidays are observed, in addition to the eight (8) hours of holiday pay, all work performed during the period beginning at 12:00 am on the morning of the holiday and ending at 11:59 pm shall be paid for at the double time rate.

ARTICLE VIII – VACATION

- 8.1 All employees shall receive paid vacations as follows:
- A. ONE WEEK – forty (40) hours' pay after one year's employment.
 - B. TWO WEEKS – eighty (80) hours' pay after two years' employment.
- 8.2 Vacations must be scheduled one (1) month in advance, based on seniority, and only ten percent (10%) of the work force can be on vacation at the same time unless authorized by the Employer.
- 8.3 In order to be eligible for vacation, an Employee must work at least forty (40) weeks during the preceding fifty-two (52) week period.
- 8.4 Entitlement to vacation time shall begin to accrue on the 1st day of employment. Upon separation from employment, the Employee will be paid for all accrued and

unused vacation time. Any vacation pay due a deceased Employee shall be paid to his estate.

- 8.5 After one (1) year of employment, any Employee laid off shall be paid all accrued and unused vacation time within seven (7) days of layoff.

ARTICLE IX – HEALTH AND WELFARE INSURANCE

- 9.1 The Employer shall pay the following sums to the Line Construction Benefit Fund for the purposes of providing insurance benefits for eligible employees and/or their dependants. For each hour worked by all such employees Employer shall pay; effective January 1, 2005 the sum of four dollars and seventy-five cents (\$ 4.75), effective January 1, 2006 the sum of five dollars (\$ 5.00), effective January 1, 2007 the sum of five dollars and fifty cents (\$ 5.50), effective January 1, 2008 the sum of six dollars (\$ 6.00), effective January 1, 2009 the sum of six dollars and fifty cents (\$ 6.50), effective January 1, 2010 the sum of seven dollars (\$ 7.00), effective January 1, 2011 the sum of seven dollars and fifty cents (\$ 7.50).

ARTICLE X – GRIEVANCE PROCEDURE

- 10.1 In the event of a grievance, dispute, or difference between any Employee, and/or the Union, with the Employer in respect to the interpretation or application of this Agreement, said grievance shall be reduced to writing and processed in accordance with the following steps of this Grievance Procedure. When a dispute involves work or geographic jurisdiction, the applicable scale of wages and/or any other monetary benefit, any decision rendered by the International President shall be final, binding and retroactive to the date on which the dispute originated.

STEP ONE: The grievance shall be reduced to writing and the Employee and the Shop Steward, provided one has been designated, shall discuss the grievance, in writing, within ten (10) working days after the meeting between the Employee, Shop Steward, and immediate supervisor. If the grievance is not settled at this time, it shall be submitted to STEP TWO with ten (10) working days after the receipt of the Employer's written answer to STEP ONE.

STEP TWO: The designated Employer representative and the Local Union representative shall meet and attempt to settle the grievance within ten (10) working days of the time the grievance was submitted to STEP TWO. The Employer shall answer the grievance, in writing, within ten (10) working days of the STEP TWO meeting. If the grievance is not settled at this time, it shall be

submitted to STEP THREE within ten (10) working days after the receipt of the Employer's STEP TWO answer.

STEP THREE: Any grievance not satisfactorily disposed of in accordance with the preceding steps of this Grievance Procedure may be submitted to arbitration at the request of either party. The party requesting arbitration shall notify the opposing party, in writing, of its intent within five (5) working days after the receipt of the Employer's STEP TWO answer. Such arbitration shall be held in accordance with the following procedure:

- A. Any matter that is not adjusted satisfactorily by the Employer and the Local Union shall be submitted to arbitration. The party requesting arbitration shall notify the Federal Mediation and Conciliation Service (FMCS) that a dispute exists and request FMCS to submit a panel of seven (7) arbitrators. Each party shall, alternately, strike one name until only one name remains who will be designated as the Arbitrator for the dispute.
 - B. The authority of the Arbitrator shall be limited to determining questions involving the interpretation and application of the terms of this Agreement. The decision of the Arbitrator shall be final and binding on all parties.
 - C. The fees and all expenses of the Arbitrator shall be borne by the losing party.
- 10.2 All grievances shall be presented as soon as possible after the occurrence upon which it is based but, in no event, later than five (5) working days if it is a dismissal grievance or no later than fifteen (15) working days if the grievance arises from any other cause. The failure to submit a grievance within these time periods shall constitute a bar to further action thereon.
- 10.3 The time limitations, in any step of the Grievance Procedure, can be waived by mutual consent. Such waivers shall be in writing.

ARTICLE XI – MANAGEMENT RIGHTS'

- 11.1 The rights of management in the operation of its business are reserved and vested in the Employer, including the right to hire, promote, demote, transfer, suspend or discharge for just cause, and to relieve Employees from duty because of absence of work or for other legitimate reasons, and provided further that the Employer shall not unjustly discriminate against any Employee. The Union understands the Employer is responsible to perform the work required by

the owner. The Employer is responsible for planning, directing, and controlling the operation of all of its work, in deciding the number and kind of Employees to properly perform the work, in hiring and laying off Employees, in transferring Employees from job to job, and requiring all Employees to observe all safety regulations.

- 11.2 The Employer shall have the right to obtain both pre-hire and post-hire background checks and to require both pre-hire and post-hire drug tests for all Employees covered by this Agreement. All such tests and/or checks shall be paid by the Employer.

ARTICLE XII – WORKING CONDITIONS

- 12.1 All tools shall be furnished by the Employer. Employees shall be responsible for the replacement of tools lost or broken through negligence.
- 12.2 Having a vehicle and valid driver's license shall be a condition of employment. Employees must notify the Employer immediately upon suspension of their driver's license. Failure to do so shall constitute grounds for immediate dismissal.
- 12.3 All required uniforms shall be furnished by the Employer.
- 12.4 All required training shall be provided by the Employer and shall be conducted on Employer time.
- 12.5 Employees will be required to maintain acceptable standards for their personal appearance in both the shop and the field with respect to their clothing and grooming. Hair, mustaches, and beards must be neatly kept and trimmed.
- 12.6 Employees will be held responsible to reimburse the Employer for expenses incurred by them in the use of vehicles and cellular phones for other than business reasons.
- 12.7 Meter Technicians will be dispatched from the deployment centers to within the PG&E Division to which the Employees are first assigned. No traveling time shall be paid before or after working hours for traveling to or from the deployment centers in the PG&E Division to which the Employee was first assigned. The Employer shall pay time for travel and furnish transportation from deployment centers to job, job to job, and job to deployment center within the jurisdiction of the Local Union where the Employee is assigned to work.
- 12.8 If a Meter Technician is transferred to another PG&E Division, other than that to which he/she was first assigned, the Employee will be provided transportation

and related expenses or will be compensated for all miles driven in his/her personal vehicle at the appropriate IRS mileage reimbursement rate in excess of thirty (30) miles from the Employee's primary place of residence to the new deployment center and upon return to primary residence at the conclusion of the work day.

- 12.9 If it is impractical for an Employee to travel to and from his/her primary residence to a second deployment center outside the original jurisdiction to which he/she was first assigned, the Employer shall furnish room and board, and all other necessary expenses. The Employer shall in its sole discretion elect to transfer an employee from his/her initial PG&E Division upon completion of that Division.

ARTICLE XIII – SAFETY

- 13.1 It is the Employer's responsibility to insure the safety of its Employees and their compliance with safety rules and standards.
- 13.2 When Employees are riding in Employer vehicles, there must be a seat belt for each rider.

ARTICLE XIV – FAVORED NATIONS

- 14.1 The Union agrees that if, during the life of this Agreement, it grants to any other Employer on work covered by this Agreement, any better terms or conditions than those set forth in this Agreement, such better terms or conditions shall be made available to the Employer under this Agreement and the Union shall immediately notify the Employer of any such concession.

ARTICLE XV – ANNUITY

- 15.1 It is agreed that, in accord with the IBEW – Division Ten – NECA Individual Equity Retirement Plan Agreement entered into between the National Electrical Contractors Association, Inc, and the International Brotherhood of Electrical Workers on December 11, 1973, as amended, and now delineated as the National Electrical Annuity Plan Agreement and Trust, unless authorized otherwise by the National Electrical Annuity Plan ("NEAP"), the individual Employer will forward monthly to NEAP's designated collection agent an amount equal to sixty-five cents (\$.65) per hour worked [the contribution obligation], together with a completed payroll report prescribed by the NEAP. The payment shall be made by check or draft and shall constitute a debt due and owing to NEAP on the last day of each calendar month, which may be recovered by suit

initialed by NEAP or its assignee. The payment and the payroll report shall be mailed to reach NEAP no later than fifteen (15) calendar days following the end of each calendar month.

The individual Employer hereby accepts, and agrees to be bound by, the National Electrical Annuity Plan Agreement and Trust.

An individual Employer who fails to remit as provided above shall be additionally subject to having his Agreement terminated upon seventy-two (72) hours' notice in writing being served by the Union, provided the individual Employer fails to show satisfactory proof that the required payments have been paid to the appropriate collection agent.

The failure of an individual Employer to comply with the applicable provisions of the National Electrical Annuity Plan Agreement and Trust shall also constitute breach of his labor agreement.

ARTICLE XVI – NATIONAL ELECTRICAL BENEFIT FUND

- 16.1 It is agreed that in accord with the Employees Benefit Agreement of the National electrical benefit Fund ("NEBF"), as entered into between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers on September 3, 1946, as amended, and now delineated as the Restated Employees Benefit Agreement and Trust, that unless authorized otherwise by the NEBF the individual Employer will forward monthly to the NEBF's designated local collection agent an amount equal to 3% of the gross monthly labor payroll paid to, or accrued by, the employees in this bargaining unit, and a completed payroll report prescribed by the NEBF. The payment shall be made by check or draft and shall constitute a debt due and owing to the NEBF on the last day of each calendar month, which may be recovered by suit initialed by the NEBF or its assignee. The payment and the payroll report shall be mailed to reach the office of the appropriate local collection agent not later than fifteen (15) calendar days following the end of each calendar month.

The individual Employer hereby accepts, and agrees to be bound by, the Restated Employees Benefit Agreement and Trust.

An individual Employer who fails to remit as provided above shall be additionally subject to having his agreement terminated upon seventy-two (72) hours' notice in writing being served by the Union, provided the individual Employer fails to show satisfactory proof that the required payments have been paid to the appropriate local collection agent.

The failure of an individual Employer to comply with the applicable provision of the Restates Employees Benefit Agreement and Trust shall also constitute a breach of this Agreement.

ARTICLE XVII – SEPARABILITY

- 17.1 Should any provision of this Agreement be declared illegal by any court of appropriate jurisdiction, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect and the parties shall thereupon seek to negotiate substitute provisions which are in conformity with the applicable laws.

ARTICLE XVIII – TERM

- 18.1 This Agreement shall take effect March 13, 2006, and remain in effect until the completion of the PG&E AMI Project or by mutual consent of the parties.
- 18.2 Either party desiring to change this Agreement must notify the other, in writing, at least sixty (60) days prior to the anniversary date of any year, beginning with 2005.
- 18.3 Changes can be made at any time by mutual consent. Any changes agreed upon shall be reduced to writing and signed by both parties hereto.

Dated: March 13, 2006

SIGNED FOR THE UNION:

(Signature)

**Perry Zimmerman
Business Manager
IBEW Local 1245**

(Date)

SIGNED FOR THE EMPLOYER:

(Signature)

**Bruce Sisson
Vice President
Wellington Power Corporation**

(Date)

EXHIBIT A
DUES CHECK-OFF AUTHORIZATION FORM

(This form is to be completed and returned to the Employer no later than thirty-one (31) days from the Employee's date of hire.)

I hereby assign to Local Union No. 1245, International Brotherhood of Electrical Workers (IBEW), from my wages earned or to be earned by me as your Employee (in my present or in any future employment by you), such sum as may be established from time to time as Union Dues by Local Union No.1245 in accordance with the Constitution of the IBEW and the Local Union By-Laws. I authorize and direct Wellington Power Corporation to deduct such amount from my wages and remit such withholdings within fifteen (15) days following the month in which deductions were made to the Financial Secretary of the appropriate Local Union. It will be the Employee's responsibility to pay any other dues required by the Local Union that are not considered deductible by the Employer.

The assignment, authorization, and direction shall be irrevocable from the period of one (1) year from the date of delivery hereof to you, or until the termination of the Collective Bargaining Agreement between Wellington Power Corporation and Local Union No.1245, IBEW which is in force at the time of delivery of this authorization, whichever occurs sooner.

This authorization is made pursuant to the provision of Section 309(c) of the Labor-Management Relations Act of 1947 and otherwise.

SIGNATURE OF EMPLOYEE: _____

SOCIAL SECURITY NUMBER: _____

EMPLOYEE'S ADDRESS: _____

DATE OF SIGNING: _____

DATE OF DELIVERY TO EMPLOYER: _____