

## EXHIBIT K

### SPECIAL SUBSTITUTE PROVISIONS (For Titles 21 and 22)

#### CONSTRUCTION

##### BIDDING ON DIVISION JOBS

Despite the exclusion of General Construction from the pre-bidding procedures within Construction, the parties recognize that Construction employees are not excluded from bidding on job vacancies in other Departments and Divisions as provided in Title 21. (Amended 1/1/94)

##### FILLING BEGINNING CLASSIFICATIONS

Appointments to beginning classifications, as listed in Exhibit A of the Agreement, shall be effective in accordance with Section 21.13 of the Agreement. (Amended 1/1/94)

##### TEMPORARY UPGRADES

In making temporary upgrades, Company shall give preferential consideration to the qualified employee at that particular assembly point and shift who has the greatest Service (as defined in Section 13.1 of the Agreement), if more than one year, and who is in the next lower classification in the normal line of progression. The Company shall, however, have the right to select a qualified employee outside that assembly point or shift provided he/she has even greater Service. Temporary upgrades normally are limited to 20 consecutive workdays but may extend beyond 20 workdays when an employee is upgraded to replace one or more employees on vacation or other absence for a longer period. Temporary upgrades to the Senior Field Engineering Technician classification are not permitted.

##### PROMOTION

Employees who have two years or more of continuous Service with Company (as defined in Section 13.1 of the Agreement) shall be given preferential consideration as follows for promotions occurring in the Construction Department in which they are employed. In the case of each subject promotion, such preferential consideration shall first be given to that employee who qualifies under Special Substitute Provisions 22.3 then to that employee who had the greatest Service and is at the top rate of pay in the classification next lower in the normal line of progression to the one in which the vacancy exists, provided that the employee is fully qualified to perform the duties of the job which is vacant. (Amended 1/1/94)

##### DEFINITIONS

(a) As used in these provisions and for no other purpose, "next lower" means that classification in retrogressive sequence next lower in the maximum rate of pay to any classification with a higher maximum rate of pay in which the same type of work or activity is performed.

(b) For the purpose of these provisions, the lines of progression in Construction are as follows:

Customer Energy Services (CES)

Gas  
Electric  
Fleet

Electric Supply  
Hydro-Generation  
Transmission Systems  
Steam Generation

Nuclear Power Generation

Telecommunications

(Amended 1/1/94)

CONSTRUCTION

The following are special substitute provisions for Title 22 of the Agreement. These provisions are applicable to construction except as otherwise noted only. (Amended 1/1/94)

22.1 PURPOSE

(a) These provisions specify the procedure to be followed when a regular employee is to be displaced from his/her position. An employee who cannot be placed in accordance with the following will be laid off.

(b) As used in these provisions, a lack of work situation is one in which the total number of jobs at a given classification level in a line of progression is to be reduced but does not cover the situation where a job at one location is completed but the employee or employees are transferred to a new location to work on another job without a change in classification. In all cases, an employee who displaces another employee or is placed in a job which is being filled for the first time must have the ability and personal qualifications for that position.

22.2 APPLICATION

(a) Employee to Be Displaced:

When displacements for lack of work occur, probationary employees in the affected classification will be laid off. If after such layoff, further displacement must be made, the regular employee in the affected classification with the least Company Service will be displaced.

(b) A vacancy at a headquarters, as defined below, will be substituted for the employee with the least Company Service at the headquarters in the application of these provisions.

(c) As used in these provisions and for no other purpose, "next lower" or "successively lower" means that classification in retrogressive sequence next lower in maximum rate of pay to any classification with a higher maximum rate of pay in which the same type or work or activity is performed.

(d) For purposes of these provisions, the lines of progression in Construction are the same as listed in Exhibit K - Title 21 Subsection (b):

Customer Energy Services (CES)

Gas  
Electric  
Fleet

Electric Supply

Hydro-Generation  
Transmission Systems  
Steam Generation

Nuclear Power Generation

Telecommunications

(Amended 1/1/94)

(e) For the purpose of these provisions, headquarters for the various lines of progression shall be as follows:

Hydro Misc Individual Hydro Plants  
Gas Superintendent Area  
Electric Superintendent Area  
Fleet Services Davis  
Nuclear Power Generation Nuclear Plant  
Steam Generation Individual Plants  
Transmission Systems Superintendent Area  
Telecommunications System

(Amended 1/1/94)

## 22.3 DISPLACEMENT

### (a) Transfer and Displacement

The employee displaced for lack of work will be placed in the highest classification, starting with his/her own or successively lower classification, in such employee's line of progression in which the employee with the least Company Service in such classification has less Service than that of the displacing employee in the displacing employee's:

- 1 Headquarters, or
- 2 Line or progression, in that order.

(b) In lieu of the foregoing, an employee whose displacement is for lack of work may elect to return to any previous unit classification he/she held for more than six months in a different Construction line of progression from which he/she was not demoted provided that such election is made under the same principles of Service as set forth in (a) above. Once the employee elects to return to a classification under the provisions of this Subsection, he/she shall displace the employee with the least Company Service in that classification in the applicable line of progression.

(c) An employee may, in lieu of layoff in his/her line or progression, displace the most junior Field Draftsman or Transitman in the other Construction lines of progression.

(d) An employee with five or more years of Service may, in lieu of demotion or layoff in his/her line of progression, displace the most junior employee in an equal, next lower, or successively lower classification in the other General Construction lines of progression.

(e) In filling jobs under the special substitute provisions for Title 21, Company shall give preferential consideration, in Service order, to those employees who were demoted or displaced under these special substitute provisions for Title 22 for those classifications from which such employees were demoted and/or for those classifications next lower or successively lower to such classifications. (Amended 1/1/94)

## 22.4 DEMOTION OTHER THAN FOR LACK OF WORK

This Section of the Agreement is not applicable to Construction. (Amended 1/1/94)

## 22.5 NOTICE

Same as provided for in Title 22 of this agreement. (Amended 1/1/94)

## 22.6 INVOLVING A NON-BARGAINING UNIT EMPLOYEE

Same as provided for in Title 22 of this agreement. (Amended 1/1/94)

## 22.7 EXPENSES

An employee who is transferred under these provisions shall be entitled to expenses and travel allowance as provided in Title 10 of the Agreement.

#### 22.8 REHIRE PROCEDURE

Same as provided for in this agreement. (Amended 1/1/94)

22.9 The Provisions of Section 22.9 of the Agreement are not applicable to Construction.

#### 22.10 AMENDMENT

By written agreement between the Company and the Union, these provisions may be amended at any time.

#### 22.11 PLACEMENT OF EMPLOYEE SUBJECT TO LAYOFF

Company shall exert all reasonable effort to place an employee subject to layoff in a beginning level job vacancy in other Divisions or Departments of the Company, provided such employee is qualified to perform the duties of the vacant beginning level job. (Amended 1/1/88)

### **R1- 03-27-ESC**

October 2, 2003

Engineers and Scientists of California Local 20, IFPTE, AFL-CIO and CLC 350  
Frank Ogawa Plaza, 8<sup>th</sup> Floor Oakland, CA 94612

Attention: Marlayne Morgan, Business Manager

Dear Ms. Morgan:

Pursuant to Section 26.1 of the Agreement and the 2003 Settlement Agreement, Company proposes to cancel and supercede LOA 03-09-ESC, replacing it with this LOA which will modify the bidding and transfer procedures for Field Engineers, Senior Field Engineering Technicians, and Field Engineering Technicians in General Construction, Utility Operations. This proposal also incorporates recommendations from the GC Labor Management Subcommittee.

1. Transfer codes will be established for the following classifications in each of the seven OM&C Areas:

Field Engineer - Gas Field Engineer - Electric Field Engineering Technician - Gas Field Engineering Technician - Electric

2. Prebid codes will be established for the following classifications in each of the seven OM&C Areas:

Senior Field Engineering Technician - Gas Senior Field Engineering Technician - Electric

2 In the context of Section 21.3 of the Agreement, the new OM&C GC bid

units are further

3 The following provisions apply to the enhanced transfer procedure:

described as follows:

Area	Geographic Division Area
Area 1 Area 2 Area 3 Area 4 Area 5 Area 6 Area 7	San Francisco and Peninsula Diablo, East Bay, and Mission Central Coast, De Anza, and San Jose Fresno, Kern, and Los Padres Stockton and Yosemite Sierra, Sacramento, and North Valley North Bay and North Coast

a. Field Engineer and Field Engineering Technician remain beginning classifications and the provisions of Section 21.13 apply.

b. When filling Field Engineer vacancies in the transfer mode, the following transfer priority will be used:

- 1) transfers from qualified Senior Field Engineering Technicians within the GC Area where the vacancy exists; 2) transfers from Field Engineers within the appropriate line of progression from other Areas; 3) transfers from qualified Senior Field Engineering Technicians from other GC Areas; 4) all other transfers from qualified employees.

c. The qualification criteria described in RC 546 will apply to both appointments and transfers to Field Engineer vacancies.

d. In the event of changes to the GC organizational structure or OM&C Area boundaries, the parties will meet to discuss modifications to these procedures.

e. Company retains the right to make temporary assignments pursuant to Sections 10.6 through 10.18 of the Agreement.

f. Employee-initiated moves resulting from these enhanced bid/transfer procedures will not trigger higher per diem or lodging costs. The new location will serve as the employee's new Residence and the employee will not be eligible for rotation provisions as described in Subsection 10.18 ( c ) of the Agreement.

g. Field Engineers cannot bid "down" to Senior Field Engineering Technician within the same line of progression and similarly Senior Field Engineering Technicians cannot bid down to Field

Engineering Technician.

h. This letter agreement is intended to supplement the promotion process described in Exhibit K of the Agreement. The special substitute provisions for Title 22 described in Exhibit K will continue to apply to the classifications described in paragraphs one and two of this letter agreement.

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

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By: *s/Bruce Tison* Bruce A. Tison Manager  
and Principal Negotiator

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

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ENGINEERS AND  
SCIENTISTS OF  
CALIFORNIA LOCAL  
20, IFPTE, AFL-CIO and  
CLC

October 2 , 2003 By: *s/Marlayne Morgan*  
Marlayne Morgan  
Business Manager