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R1-09-30-ESC

October 20, 2009

Joshua Sperry, Senior Union Representative
Engineers and Scientists of California
Local 20, IFPTE, AFL-CIO & CLC
835 Howard Street, 2nd Street
San Francisco, CA 94103

Dear Mr. Sperry:

The Company and Union have concluded negotiations for newly represented employees in Senior New Business Representative and Industrial Power Engineer positions. This agreement cancels and supersedes Letter Agreement 07-19, as amended in 2008 General Negotiations, and incorporates agreements between the parties during subsequent negotiations. The agreed upon contract language for Exhibit S-1 and job descriptions are included as attachments to this 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 & ELECTRIC COMPANY

By: s/ Mary K. King
Mary K. King
Principal Negotiator

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

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

October 21, _____, 2009

By: s/ Joshua Sperry
Joshua Sperry
Senior Union Representative

Exhibit S-1**Senior New Business Representative/Industrial Power Engineer**

For the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, and other conditions of employment, the Company recognizes the Union as the exclusive representative of Senior New Business Representatives and Industrial Power Engineer classifications based on the Card Count conducted on December 27, 2006. Pursuant to the Neutrality Agreement between the Company and Union, these classifications will be incorporated in to the ESC Agreement pursuant to the conditions provided for in the table agreement dated September 4, 2007. Those conditions are described in the remainder of this exhibit. Unless otherwise noted, the term "employee" refers to those in classifications covered in the aforementioned unit.

Job Descriptions

The job descriptions are shown on Attachment B. The annual wage rates are effective upon the implementation date, which is the first of the month following ratification, expected to be October 1, 2007 and are shown below.

Classification	Minimum	Maximum
Senior New Business Representative (SNBR)	\$72,000	\$90,000
Industrial Power Engineer (IPE)	\$82,000	\$100,000

Effective on the implementation date, employees will be moved to the pay band minimum or receive a 5% increase, whichever is greater; however no employee's salary shall be increased beyond the maximum of their pay band. Future progressive wage increases shall occur in accordance with the Agreement on the anniversary date of ratification of this agreement.

Employees whose current wage rate is greater than the pay band maximum shall have their current wage rate "grandfathered," i.e., they will continue to reside outside the pay band but will not receive increases until the pay band maximum surpasses their current salary, at which time their salary will be increased to the pay band maximum and the employee will receive all future general wage increases.

A transitional payment equal to the employees calculated 2007 STIP award, prorated to the date of ratification, will be paid to employees at the time of the regular STIP payout in 2008. The payment will be based on the employee's current pay prior to ratification and the organization's final STIP score; it will be paid at a flat percentage to all employees and not based on individual performance ratings.

For SNBRs and IPEs with annual salaries less than \$75,000 and \$85,000 respectively, the Company will advance a portion of the STIP equivalent payment and convert it to base pay to bring the affected employees up to those annualized salaries effective on the implementation date. The advance will be deducted from the employees' final STIP equivalent payment and no SNBR or IPE will have his/her annual salary exceed \$75,000 or \$85,000 respectively as a result of this payment. A maximum amount of \$3,000 may be recouped from their STIP payment; however no employee shall be required to reimburse the company if the STIP payment is less than the amount advanced.

Effective October 1, 2009, the parties agree that these classifications will be classified as non-exempt under the wage and hour regulations.

Benefits

Effective the first of the month following ratification, but no sooner than 15 workdays, these employees will enroll in the bargaining unit medical, dental, vision, savings fund plan, and life insurance provisions. Effective upon ratification of this agreement, the employees will be converted to the bargaining unit pension provisions. Vacation granted for 2008 and subsequent years will be in accordance with the provisions of Section 9.2. Employees whose vacation accrual rate is greater than that set forth in Section 9.2 as the result of a Special Employment Offer shall have their vacation accrual rate "grandfathered" – i.e., maintained at its present level until the amount of vacation due the employee per Section 9.2 is greater than present, at which time they shall receive vacation per Section 9.2.

ESC Agreement

These employees will be incorporated into the existing ESC Collective Bargaining Agreement ("Agreement") and Benefit Agreement with the exceptions noted in Appendix A.

Vehicle Usage

Employees shall have the option of using a PG&E pool car or their personal car for use on Company business. If the employee chooses to use their personal vehicle, usage shall follow USP 12.

Performance Standards

See Attachment C.

Implementation

To effectively implement these provisions, the Company and Union agree to establish a sub-committee to meet to finalize the following items:

- Review Exhibit I and Section 7.4(b) of the contract. Determine if a flextime guideline is needed and if so, develop and propose a flextime guideline that allows employees, with supervisor approval, to shift work schedules to meet customer appointments.
- Review the process for evaluating performance and update performance standards to support top quartile performance.
- In order to best serve the customer, the Company wants to consider ways to reduce cycle time. The implementation committee will review potential changes to job classifications that may reduce customer cycle time. Any proposed changes or pilots of proposed changes must be approved in writing by the ESC and Labor Relations prior to implementation.
- Meet monthly for the first six months after status change to review and respond to implementation issues caused by the transition to non-exempt status.

Attachment A

Title 7. Hours

The company will follow the provisions of Title 7 of the Agreement. However, due to the nature of the work performed by these classifications, the parties agree to incorporate the provision below.

Site Visits

With prior supervisor approval, employees in these classifications may make site visits on the way to and from the company headquarters in order to maintain the flexibility to meet customer needs. Such site visits are considered work time but will be reduced by the employee's normal commute.

Title 21. Selection and Advancement

These positions will be a separate line of progression, reverse line of progression and bidding unit. Recognizing the unique skills required for these positions, the Company and Union agree to utilize the following process for selection and advancement:

A selection board comprised of two management and two union appointed employees will interview interested and qualified employees, using jointly-developed job qualifications and interview questions. The selection board will evaluate the candidates against the selection criteria to determine who is most qualified. If the selection board decides there are too many applicants to interview for a particular opening, the board shall decide which applicants to interview by screening applications against the selection criteria.

Candidates for the vacancies will be considered using the alternating process described below:

For half of the Senior New Business Representative and IPE vacancies, only the following prioritized ESC-represented titles will be considered:

- For Senior New Business Representative vacancies, consideration will be given to Senior New Business Representatives, Associate Distribution Engineers and Senior Estimators.
- For IPE vacancies, consideration will be given to Senior New Business Representatives and IPEs.

In the event the selection panel determines that there are not qualified candidates from the prioritized titles, additional candidates, both within and outside the unit, may be considered.

For the remaining vacancies, the Company may identify candidates, both within and outside the unit, for consideration along with other interested parties.

In either case, applicants must meet minimum qualifications in order to be considered by the selection board. Notwithstanding anything contained in this section, the Company may reject the bid of any employee who does not possess the knowledge, skill, efficiency, adaptability, and physical ability required for the job on which the bid is made. The Company may give tests to assist in determining an employee's qualifications. Once an employee has passed an examination, he/she will not be reexamined on the same subject matter. Additionally, the bid of an employee to a classification having a higher maximum wage rate will be rejected if the employee has been under active counseling for poor work performance during the previous 12 months. Active counseling for the purpose of this Section is considered to be two written reminders, or a decision making leave, or a demotion for cause. (Added 9-30-09)

In the event the board is deadlocked, a fifth member alternately selected by ESC and the Company, will be added to the panel to resolve disputes.

The parties agree that:

1. The Union will identify panel members as expeditiously as possible using members located near the interview site to the extent practicable.
2. The Company selects candidates if no ESC represented employees have expressed interest or are qualified.
3. The Company has the exclusive right to identify candidates for interview.
4. The Union will provide the Company a copy of the Union's interview and selection decision notes for our files.

The transfer (lateral movement only) of an Industrial Power Engineer or Sr. New Business Representative will not be considered until the employee has worked in the classification for twelve months. (Added 1/1/09)

Title 22. Demotion and Layoff

In the event that Demotions and Layoffs are needed, the company will follow the provisions of Title 22 of the Agreement. Within the established unit, employees who meet the full requirements of the position may displace less senior employees in their reverse line of progression with service based on overall company seniority.

Title 27. Management of Company

Engineer Trainees may perform bargaining unit work as part of the Engineer Trainee Program for a period not to exceed one year.

Attachment B

Job Descriptions

Job descriptions are shown below. It is understood that IPEs may perform all duties of the SNBR classification. Recognizing that work varies by location and some SNBR positions may perform IPE work, the parties agree that if an SNBR works on 4 or more IPE projects, he/she will be upgraded to IPE pursuant to Section 15.3 (a).

	<p>Senior New Business Representative (SNBR)</p>
<p>Summary</p>	<p>This position is charged with coordinating the installation of new gas and/or electric facilities, WRO projects, overhead and/or underground line extensions and services associated with large residential, commercial and agricultural projects. The position also handles street lighting, traffic controllers, un-metered load and State Highway lighting projects. Assigned SNBRs also act as coordinators for city and county relocation projects, street widening and street repaving that have conflicts with PG&E facilities. For training purposes, SNBR may handle no more than 3 IPE-level jobs at the same time, and must work under the guidance of an IPE. The duties as outlined in this job description may vary by location. This position includes office work and site visits.</p>
<p>Job Functions:</p>	<p>SAFETY</p> <p>Maximize public and employee safety by ensuring that job designs are performed to Company & State standards and meet all compliance requirements. Follow USP 22 guidelines.</p> <p>PROJECT MANAGEMENT</p> <p>Manages scope, schedule and cost for all assigned projects, from initiation to meter set. Scope and schedule is adjusted as appropriate to accommodate change (e.g., new customer needs, competition, and new regulation).</p> <p>Coordinates all other departments or individuals who are involved with the project and works to define the project's background, objective, design scope, schedule, roles and responsibilities. Coordinates with others, such as Planning, Estimating, Construction and Metering, etc., in completing the project in a timely manner. Includes understanding of industrial project schedules and working closely with the work and resource group to prioritize work using available tools or technology, such as CLICK scheduling.</p> <p>Monitors project schedule and prioritizes work in coordination with the work and resource group. Schedules and conducts pre-engineering meetings, provides all pertinent data and addresses potential project risks including schedule setbacks and coordinates actions before setbacks occur. Conducts and documents pre-construction meeting.</p> <p>Ensures that project is performed as planned. Upon request, provides input to the development of the capital and/or expense budget through ongoing validation of project estimating and construction timelines. Looks for ways to minimize costs on projects for both the applicant and PG&E.</p> <p>Ensures that the correct type of financial order, work category, etc., has been applied and actively monitors costs and proactively addresses potential overrun issues in accordance with Company guidelines.</p>

	<p>COMMUNICATION</p> <p>Communicates project status (e.g., scope, schedule, cost) to all stakeholders throughout the project, as applicable. This may include Service and Sales Representatives to ensure competition issues are addressed. Facilitates resolution of project-related disputes. Continuous formal communication (both written and verbal) with all stakeholders is given a high priority throughout all stages of the project. Prepares contracts, as applicable, to ensure compliance with standards and tariffs. (Amended 1/1/09)</p> <p>Provides applicants, estimating, engineering, clerical and construction partners with complete and accurate information on rate and rule applicability, potential costs and timelines.</p> <p>May be required to attend after hours meetings related to their projects.</p> <p>MANAGING CUSTOMER EXPECTATIONS</p> <p>Ensures that customer's needs and issues are solicited regularly and communicated to project stakeholders, both internal and external. To the extent possible, balances customer needs/requests with all internal work including compliance, reliability and capacity projects.</p> <p>Negotiates reasonable estimating and construction dates that address customer's anticipated schedules. May provide customer with an initial non-binding cost. (Amended 1/1/09)</p> <p>TARIFFS</p> <p>Ensures that all charges mandated under the applicable tariffs are identified in the contract and secured before beginning construction. This position is responsible for ensuring correct tariff interpretation and application, and for working with Law department on exceptional case projects when required. Ensures project is designed and priced in accordance with applicable rates and rules. Provide leadership, technical support and guidance to other departments on projects involving Gas & Electric Rules 1,2,3,4,12,13,14,15,16 18 & 20.</p> <p>May partner with Service and Sales Representatives and/or Rates and Tariffs for application of best rates when appropriate. (Amended 1/1/09)</p> <p>COMPLIANCE MANAGEMENT</p> <p>Ensures all applicable project documentation is maintained in an orderly job file. Ensures all project dependencies are met prior to allowing a construction start. Ensures all permits are obtained and land rights issues are resolved per procedures.</p>
<p>Knowledge / Abilities</p>	<p>Familiar with tariffs, rates, contracts/tools, WM SAP, project approval process, document routing system and estimating and construction work processes. Works effectively as a member of a team. Ability to work with both internal and external customers/clients. Facilitation and conflict resolution skills.</p> <p>Ability to manage for results and in the process work as a team to build agreement.</p> <p>Strong focus on safety.</p> <p>Committed to providing superior customer service.</p> <p>Strong verbal and written communication skills.</p> <p>Ability to demonstrate initiative and decisiveness.</p> <p>Ability to demonstrate sound judgment and forward thinking.</p> <p>Problem solving skills.</p> <p>Knowledge of PG&E's rates and tariffs.</p> <p>Knowledge of PG&E's Gas & Electric Service Requirements.</p>

	<p>Computer skills (SAP, Excel, Word etc.). Conflict Resolution Skills. Knowledge of overrun/under run policy. Knowledge of Delegation of Authority guidelines. Knowledge of Distribution Service Policy (Added 1/1/09)</p>
Qualifications	<p>A bachelor's degree from a recognized college or its equivalent in education and experience. Such experience may include 3 or more years in areas of project management. Must have strong project management, customer contact and communications skills. Basic computer skills: MS Word, Excel, e-mail. Valid California Driver's license and California minimum insurance coverage if using personal car.</p>
	<p>Industrial Power Engineer (IPE)</p>
Summary	<p>The job duties and responsibilities of an IPE may include all SNBR responsibilities; however this position includes management of, larger, more complex, projects. These projects include primary services, Electric transmission projects, and commercial or industrial jobs over 2,000 amps. The position also handles major commercial and/or Industrial developments and initiates and manages Large Load Interconnection process. Also handles requests for non-core gas services. Depending on the volume of specific types of projects in a particular office, this position may be deployed to manage specific types of work as opposed to broad assignments (i.e., commercial, residential or PG&E generated work).</p> <p>IPE's must have an understanding of system and protection requirements when coordinating between Transmission and Distribution Planning and external engineering firms, designers or consultants. An advanced knowledge of rates is also required to accurately assign the most beneficial rate to large Gas & Electric customers.</p>
Additional Knowledge/ Abilities	<p>Understanding of PG&E's large load process. Knowledge of Cogeneration standards and tariffs and Distributed Generation. Knowledge of Electric Rules 21, and Interconnection Handbook. Knowledge of special or complex metering. Understanding of Gas Rates including G-NR2, G-CP, G-CPX, G-NT, G-LNG.</p>
Qualifications	<p>A bachelor's degree from a recognized college or its equivalent in education and experience. Such experience may include 1 year as a Senior New Business Rep or 5 or more years in areas of project management. Must have strong project management, customer contact and communications skills. Basic computer skills: MS Word, Excel, e-mail. Valid California Driver's license and California minimum insurance coverage if using personal car.</p>

Attachment C

Performance Standards

The Company and Union have a shared objective to move to top quartile performance. As part of that transformation, performance standards are being developed. Those standards are not intended to be punitive. In the event individual performance is below agreed to standards, a review of the circumstances, including training, and workload, will take place. Further:

- The move to top quartile performance means that standards are likely to continually change since top quartile performance is not static,
- The Company and Union agree that implementing performance standards as we are preparing to implement the foundational components of Business Transformation is challenging given the level and scope of the change these jobs are experiencing.
- Company and Union agree that performance standards need to be jointly reviewed and updated on a regular basis
- The individual standards supporting our goal of top quartile performance

The preliminary performance standards are the following:

1. Safety
 - Follow safe work practices
 - No avoidable accidents
2. Project Satisfaction
 - Average results for question 5 of the current survey
3. Project Commitment Dates Met
 - Meet or exceed client timeline, based on average of the overall project commitment standard
4. Data Quality
 - Maintain proper dates in SAP
5. New Business/WRO
 - Ensure collection of monies on all projects
6. Work Procedures
 - Follow distribution service policy, including timely customer feedback
 - Follow Company procedures.