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07-18-ESC

October 1, 2007

Mark Mitchell, Business Manager
Engineers and Scientists of California
Local 20, IFPTE, AFL-CIO & CLC
350 Frank H. Ogawa Plaza, 8th Floor
Oakland, CA 94612

Dear Mr. Mitchell:

The Company and Union have concluded negotiations for newly represented Engineers in the Project Engineering Department. The agreed upon contract language for Exhibit T 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 AND ELECTRIC COMPANY

By: s/Jeff Delaney
Jeff Delaney
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 1, 2007

By: s/Mark Mitchell
Mark Mitchell
Business Manager

Exhibit T

Electric System Engineering—Project Engineering, Responsible Engineer Unit

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 Responsible Engineering positions in Electric System Engineering, Project Engineering group, 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 certification.

Project Engineering

Job Descriptions

The job descriptions are shown on Attachment A.

Rate of Pay

The annual salary ranges 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.

Pay Bands (annual):	Min-Max
Associate Engineer:	68,000-87,150
Journey Engineer:	85,000-107,900
Senior Engineer:	94,000-120,750
Senior Consulting Engineer:	104,000-134,400

Employees whose pay increase as management employees on January 1, 2007 was not equal to or greater than 3.75% shall receive a wage adjustment retroactive to January 1, 2007 such that their total increase on that date equals 3.75%. The retroactive payment will be made through a lump sum.

Effective the first of the month following ratification, after applying the retroactive pay adjustment, each employee’s salary will be moved to the salary 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 each employee’s 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 including any retroactive pay adjustment 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.

The parties agree that there is shared work jurisdiction between the Principal Engineer and this unit. The Company and Union agree to continue the shared work jurisdiction as currently practiced. The Company will notify the Union of Project Engineering assignments made to Principal Engineers in advance and will meet and confer with the Union before increasing the number of Principal positions whose work is shared by this unit to more than 5. Supervisor in Fresno may continue to perform bargaining unit work for a period of up to six months during the transition.

The Company also agrees to maintain a minimum ratio of Senior Consulting Engineers to Engineers in this unit such that a minimum of 23% of all positions are Senior Consulting Engineer positions. Additional Senior Consulting Engineer positions will be added as regular engineer positions are added to reflect this ratio as closely as possible. Normal rounding will apply in determining the number of Senior Consulting positions. In no case will the ratio result in the selection of a Senior Consulting Engineer who is unqualified for the position. The Company may expand or reduce the number of Senior Consulting Engineer positions provided it maintains the current ratio. If the Company chooses to downgrade a Senior Consulting Engineer position to a Senior position solely to maintain the ratio, the incumbent will be placed as a PIO Senior Consulting Engineer, however, such PIO assignment will not be made if the reduction is the result of the application of Title 22 or due to a demotion resulting from a documented performance deficiency.

Job Titles

Licensed Engineers in Project Engineering shall hold the job title corresponding to their professional license, i.e. Civil Engineer or Electrical Engineer. Unlicensed engineers shall hold the title corresponding to their discipline: Substation Engineer or Transmission Line Engineer. Noting that Civil Engineers are required to hold a license at the Journey level and above, unlicensed Associate level engineers in the Civil discipline shall hold the title "Associate Engineer." All job titles will be consistent with title conventions in SAP. See the table in Attachment A.

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 implementation 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 following noted exceptions:

The Company and Union agree that these classifications shall be Exempt pursuant to wage and hour regulations. To recognize the different applications of the contract for Exempt, monthly paid, the attached modification to the agreement, including but not limited to Titles 7, 8, 9, 11, 16, 17, 21, and 22 are included as Attachment B.

Seniority Application

Seniority shall be determined using the employee's date of hire at PG&E.

Performance Standards

The Company will continue with the existing performance appraisal standards and those will be updated by a joint Company-Union Committee to support the shared objective of achieving top quartile performance.

Management Relocation Offer

The Company may continue to offer the management relocation program and additional vacation to new hires into the department.

Professional Membership and Training

The Company shall pay for basic national membership and one local chapter membership in the appropriate professional association for each employee. In the event that an agreement is reached for Protection Engineers providing for more benefits in the area of training and certification, such provisions shall also apply to engineers in Project Engineering.

Continuing Committee

A sub-committee shall continue to meet to finalize the job descriptions by completing the chart of Examples of Projects appropriate to each career stage in each discipline, which shall be added to the attached job descriptions, as well as performance standards.

Attachment A: Job Descriptions for Project Engineering**Job Titles**

	Civil	Substation		Transmission Line	
		Licensed	Unlicensed	Licensed	Unlicensed
Associate	Unlicensed: Associate Engineer Licensed: Associate Civil Engineer	Associate Electrical Engineer	Associate Substation Engineer	Associate Electrical or Civil Engineer (per license)	Associate Transmission Line Engineer
Journey	Civil Engineer	Electrical Engineer	Substation Engineer	Electrical or Civil Engineer (per license)	Transmission Line Engineer
Senior	Senior Civil Engineer	Senior Electrical Engineer	Senior Substation Engineer	Senior Electrical or Civil Engineer (per license)	Senior Transmission Line Engineer
Senior Consulting	Senior Consulting Civil Engineer	Senior Consulting Electrical Engineer	(must have license)	Senior Consulting Electrical or Civil Engineer (per license)	(must have license)

	Associate Level Engineer
Summary	This is an entry-level Engineer job that works under the general technical direction of more experienced engineers. This job is responsible for providing technical engineering support for routine projects, including, but not limited to: providing technical data; applying engineering principles to investigate, analyze, and propose solutions to technical issues; assisting project managers, construction personnel, and other business partners to assess project needs, develop and document project scope, develop cost estimates, identify material procurement needs, oversee or conduct engineering design review, review engineering documents, and provide guidance to design group. The responsibility level of this position increases with experience.
Job Duties:	Initial assignments from the tasks below will require direction and supervision; with experience the independence and responsibility will expand and the need for supervision will decrease. <ul style="list-style-type: none"> -Assists with or conducts project walkdowns and works with project team, including both internal and external clients, to establish scope of work, schedule, and cost commitments. Gathers technical information from field data and project team. -Prepares cost estimates. -Investigates resources required to complete engineering and project-related tasks -Establishes engineering schedule. -Prepares project forecast for engineering, tracks progress, updates as needed, and provides periodic updates. -Provides guidance to design and contractor team members, and reviews design and technical documents. Coordinating with other lines of business, ensures designs and technical documents meet appropriate criteria, quality, and job scope. -Approves revisions to existing drawings for routine projects. -Procures long-lead time material for assigned projects. -Under direction, reviews and approves project material procurement list, vendor drawings, equipment specification updates, and engineering material requests. -Participates in periodic design review meetings. -Coordinates project activities with other disciplines for routine projects. -Under direction, provides construction support and evaluates and makes recommendations to resolve field construction problems.
Scope	Resolves problems of limited scope. Assignments typically require standard solutions. Assignments are regularly reviewed.
Interaction	External contacts typically require coordinating with contractors and providing information to third parties. Internal contacts are with clients and project team members and typically includes discussing and reporting progress, exchanging and coordinating information, managing meetings and providing scope documents.

Job Qualifications:	
Education	A 4-year BS Degree in Engineering or a related technical discipline from an accredited curriculum in the US or the equivalent from outside the US.
Licenses / Certifications	Current and active California PE license desired.
Experience	1-2 years experience in engineering desired.
Knowledge / Abilities	Able to apply basic engineering principles and theory. Prioritizes, plans, and recommends solutions for routine projects. Effectively communicates both written and orally. Approaches and plans work in an organized manner to meet project commitments. Demonstrates good judgment when making decisions and recommendations. Frequently shows initiative and takes action proactively.

Journey Level Engineer	
Summary	This is a journey-level engineer job that requires mastery of the Associate level engineer skills and duties and is responsible for leading the engineering and design of more complex projects. Uses independent judgment in applying engineering principles, working with minimal supervision. Works with engineers, project managers, construction personnel, and other business partners in assessing project needs. Responsibilities beyond those of associate Project engineer include, but are not limited to, the following: Develop technical studies and reports, and provide guidance to contractors and outside vendors.
Job Duties:	<p>May perform functions of Associate level Engineer and in addition:</p> <ul style="list-style-type: none"> -Provides technical expertise and performs engineering analyses, studies, and develops conceptual designs. -Presents findings to internal organizations, contractors and outside vendors. -Conducts walkdowns and design review meetings. -Prepares written technical documents such as design criteria, specifications, and reports. -Develops, evaluates, and recommends alternative project proposals. -Solicits, prepares, and evaluates contracts and proposals from engineering consultants. Reviews consultant contracts for technical compliance. -Interprets and applies applicable codes and regulations. -Participates in the development of effective restoration plans. Assists in root cause analysis. -Approves reports, new drawings, and revisions to existing drawings for projects. - In emergencies, promptly responds to facility failures. - Represents PG&E to government bodies as required for assigned projects.
Scope	Resolves problems of moderate scope. Assignments typically require standard solutions. Under general direction, independently plans work to meet assigned objectives; progress is reviewed periodically for technical accuracy and adequacy in process and upon completion.
Interaction	External contacts are primarily coordinating with contractors and vendors. Internal contacts are with clients and project team members. May guide the work of less experienced team members. Exchanges information with others outside the team. May partner to solve problems or explore alternative solutions.
Job Qualifications:	
Education	A 4-year BS Degree in Engineering or a related technical discipline from an accredited curriculum in the US or the equivalent from outside the US.
Licenses / Certifications	Current and active California PE license required for Civil Engineers and desired for other disciplines.
Experience	Mastery of the Associate level Engineer job duties or equivalent and demonstrated knowledge and ability to perform the basic duties of the Journey Level Engineer. Meets specific technical requirements gained through a minimum of three years of cumulative experience in engineering and design.
Knowledge / Abilities	<p>Demonstrates knowledge and abilities required for the Associate level engineer and also:</p> <ul style="list-style-type: none"> Capable of coordinating with project team, and has basic understanding of the roles and responsibilities of project managers. Able to work with limited supervision and guidance to meet project commitments. Able to work with internal and external customers and suppliers. Able to understand and implement the technical requirements of interfacing engineering disciplines. Demonstrates informed judgment when making decisions and recommendations. Uses judgment in applying engineering principles and techniques to determine cost effective and practical solutions. Ability to manage and complete several projects concurrently, depending on scope and complexity. Interprets applicable codes, industry standards and regulations and educates others. Can provide thorough analysis of issues and justification of recommendations. Takes ownership of problems and their solutions.

Senior Level Engineer	
Summary	This is a senior-level engineer job that requires mastery of the journey engineer job duties and is responsible for leading engineering and design of complex projects. Applies extensive knowledge of concepts, principles, and practices to resolve complex problems with only general direction. Provides leadership, coaching, technical direction, knowledge transfer and assistance to technical employees and teams. Additional responsibilities beyond the Project engineer include, but are not limited to, the following: Deliver presentations, lead team meetings, interpret industry practices and codes.
Job Duties:	May perform functions of Associate and Journey level Engineers and in addition: - Manage large complex projects and perform engineering analyses, studies, and develop conceptual designs. - Lead, coach, direct, and assist technical employees and teams on technical issues. May act as an engineering mentor. - Assist in finalizing contract project specification and technical evaluation of contract project bids. - Provide support to other departments in land, permitting, and legal issues.
Scope	Resolves problems of complex scope. Assignments may provide an opportunity for creative or non-standard approaches. Under general direction, independently plans work to meet assigned general objectives. Work may be reviewed upon completion; solution may provide an opportunity for creative/non-standard approaches.
Interaction	External contacts are with contractors, vendors and local public agencies with ministerial authority. Internal contacts are with clients, project team members, and company management. May provide technical direction to less experienced team members. Exchanges information and solves problems with others outside the team.
Job Qualifications:	
Education	A 4-year BS Degree in Engineering or a related technical discipline from an accredited curriculum in the US or the equivalent from outside the US.
Licenses / Certifications	Current and active California PE license required for Civil Engineers and desired for other disciplines.
Experience	Mastery of the Associate and Journey level Engineer job duties and demonstrated knowledge and ability to perform the basic duties of the Senior level Engineer. Meets specific technical requirements gained through a minimum of eight years of cumulative experience in engineering and design.
Knowledge / Abilities	Demonstrate knowledge and abilities required for the Associate and Journey level Engineer and also: Demonstrate ability to handle multiple large scale, large budget complex projects without supervision. Demonstrate good presentation skills including knowledge transfer presentations. Ability to serve as the leader for an engineering team including outside contractors. Complete assignments of broad scope and complexity. Ability to integrate information from a variety of sources.

Senior Consulting Level Engineer	
Summary	This is a senior consulting-level engineer job that requires mastery of the senior engineer duties and a current PE license. The Senior Consulting Engineer leads complex engineering projects, is a recognized expert within their area of responsibility, and applies extensive knowledge of concepts, principles, and practices to resolve complex problems with only general direction. Provides technical leadership and coaching. Researches and identifies practical solutions to highly complex problems. Identifies opportunities and brings in ideas to help improve company performance. Additional responsibilities beyond the senior Project Engineer include, but are not limited to, the following: develops programs in a multifunctional business process, and provides high-level advice and expertise to various PG&E lines of business.
Job Duties:	May perform the functions of Associate, Journey and Senior level Engineer and in addition: <ul style="list-style-type: none"> -Manage large highly complex projects and perform engineering analyses, studies, and develop conceptual designs. -Develop innovative solutions to solve challenging technical issues. -Acts as a lead in root cause analysis and makes recommendations to address local and system-wide problems. -Acts as a company witness, liaison, and/or information provider to outside parties. -Develops technical policies, procedures, and contributes to the development of standards, specifications, construction documents, and guidelines. -Represents PG&E at external industry associations, committees, trade organizations and other inter-utility groups. -Acts as an engineering mentor.
Scope	Resolves problems of very complex scope. Serves as a key technical resource within area of specialization. Regularly expected to apply creativity or new approaches to assignments that may be unique. May lead others on technically complex projects. Customarily and regularly uses discretion and independent judgment in fulfilling these job functions.
Interaction	Externally, establishes and maintains good relations with counterparts and higher level representatives in third party organizations, e.g., governmental, regulatory, business partner or community entities, using skilled negotiation, tact and diplomacy. Internal contacts include project team members, company management across various departments. Serves as the most senior level technical expert on the team. Often is a technical coach for others.
Job Qualifications:	
Education	A 4-year BS Degree in Engineering or a related technical discipline from an accredited curriculum in the US or the equivalent from outside the US.
Licenses / Certifications	Current California PE license required.
Experience	Mastery of the Associate, Journey, and Senior level engineer job duties and demonstrated knowledge and ability to perform the basic duties of the Senior Consulting Level Engineer. Meets specific technical requirements gained through a minimum of thirteen years of cumulative experience in engineering and design.
Knowledge / Abilities	Demonstrates knowledge and abilities required for the Associate, Journey and Senior level Engineer and also: <ul style="list-style-type: none"> Able to handle multiple large and complex projects without supervision and serve as team leader. Provide leadership, direction, and assistance to engineers and designers. Coach and develop engineers. Successfully negotiate cost effective solutions beneficial to our customers and PG&E. Complete complex assignments with few or no precedents or standards. Apply extensive knowledge of concepts, principles and practices in a specific field or area of expertise to resolve complex problems.

Attachment B: ESC Agreement Changes for Project Engineering

Title 7. Hours

Since the work hours of Exempt employees covered by this Exhibit may vary on any given day, it is expected that they may be required to work for more than eight hours on a workday or to work on a non-workday as the occasion demands. Additional time worked may be eligible for compensation as outlined by the Additional Time Worked policy in Title 17 of this Exhibit.

The provisions for overtime pay in Section 7.3 are not applicable to Project Engineering employees included in this unit.

The provisions of Section 7.4 (f) shall apply to employees covered by this Exhibit.

Business travel for Exempt employees is an integral part of their duties and may be considered as time worked and paid under the Additional Time Worked policy. However, employees are not eligible for pay for additional time worked for commuting to or from their regular headquarters. To receive payment for travel time incurred outside of normal work hours, Exempt employees must receive approval in advance from their supervisor or higher as described in Title 17 of this Exhibit.

Title 8. Holidays

The provisions for overtime pay in Section 8.5 are not applicable for Exempt employees.

Title 9. Vacations

9.16 Hourly Increments

Exempt employees shall not be charged vacation leave for increments used of less than four (4) hours.

Title 11. Sick Leave

11.6 Hourly Increments

Exempt employees shall be charged sick leave in four (4) hour increments, with no charge made for increments of less than four (4) hours. Once the four (4) hour threshold is met, additional sick leave will be charged in hourly increments. No deduction shall be made for an increment of less than four (4) hours from the wages of an employee who has exhausted his/her sick leave.

- Example #1: Employee is off 3 hours for a medical appointment – the employee's sick leave account is not charged.
- Example #2: Employee is off 5 hours for a medical procedure – the employee's sick leave account is charged for the 5 hours.

Title 16. Meals

The provisions of Section 16.2, 16.4 and 16.6 shall not be applicable to these Exempt employees.

(a) Meals are reimbursable if required for:

- 1) a business need to host customers or guests
- 2) out of town or overnight travel
- 3) business related circumstances that prevent normal meal practice
- 4) conferences or training sessions
- 5) business meetings
- 6) group or individual recognition

Approval for reimbursement is required by an employee's supervisor. Meals involving only PG&E employees conducting internal PG&E business or staff related meetings (i.e., items 5 and 6 above) are discouraged and are only reimbursable if approved by the employee's Director or VP.

Employees are expected to use good judgment in selecting moderately priced meals.

- (b) Groceries or the cost of meals prepared at home are not usually eligible for reimbursement. Exceptions may include meals prepared when on extended assignment away from home and home prepared meals when hosting clients on Company business. When such meals are reimbursable, reimbursement is limited to the actual cost of food and beverages purchased and consumed, or the catering costs if applicable.

Title 17. Overtime

The following overtime provisions shall be applicable to Exempt employees covered by Exhibit R and will replace the provisions of this Title in the Agreement. Further, provisions for overtime payment contained elsewhere in the Agreement, including its exhibits or any other agreements between the parties, shall not be applicable to these Exempt employees unless otherwise specifically agreed upon.

Additional Time Worked for Monthly Paid ("Exempt") Employees

- a) Exempt employees will be eligible for compensation at the straight-time rate of pay for work beyond normal work schedules, subject to the conditions contained below:
1. Employee receives prior authorization from a supervisor, manager or director within the department to work beyond normal daily work schedule or on a non-workday to meet critical work requirements, including time worked by telecommuting or remote access or on Regular Days Off associated with Alternative Work Schedules.
 2. Employee works at least one hour beyond the normal daily work schedule, or works on a non-workday. On normal workdays, only the time beyond the initial one hour beyond the normal work schedule will be compensated. On non-workdays, all time worked will be compensated.
 3. Employee is not eligible for any other type of special incentive to offset additional time worked.

Title 21. Job Bidding, Promotion and Transfer

Associate Engineers who meet the requirements of the Journey Engineer position and are performing satisfactorily in their current classification shall advance to Journey Engineer upon reaching 3 years experience. Journey Engineers, who are similarly performing satisfactorily in their current classification and meet the qualifications of the Senior Engineer classification, shall automatically advance from Journey Engineer to Senior Engineer upon reaching 8 years experience; such experience may include related industry or PG&E experience as well as time in Project Engineering.

When vacancies occur at the level of Associate, Journey or Senior Engineer, a selection board comprised of two management and two union appointed employees will interview all interested and qualified employees, using jointly-developed job qualifications and interview questions. The selection board shall evaluate the candidates against the selection criteria to determine who is most qualified.

Candidates for the vacancies will be considered using an alternating process. Only ESC-represented titles will be considered for interviews for alternate vacancies for Associate, Journey, or Senior Engineer. If no ESC-represented candidates apply, or the selection board determines that the interested ESC candidates are not qualified for the position, additional candidates from within and outside the unit may be considered. For the remaining vacancies in these classifications, the Company may add candidates for consideration.

In either case, applicants must meet minimum qualifications in order to be considered by the selection board. In the event the board is deadlocked, a fifth member alternately selected by the Union and the Company will be added to the panel to resolve disputes.

When vacancies occur at the level of Senior Consulting Engineer, the selection panel will first consider qualified Senior Engineers covered by this agreement. If no Senior Engineers apply, or the panel rejects all Senior Engineer applicants, the panel may consider other candidates.

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

Line of Progression and Reverse Line of Progression

These classifications will be separate line of progression, reverse line of progression and bidding unit.

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.