



Jeffrey M. Delaney
Principal Negotiator
Labor Relations and
Human Resources

Mail Code N2Z
P. O. Box 770000
San Francisco, CA 94177
(415) 973-5998
Fax (415) 973-6736

10-01-ESC

January 13, 2010

Mr. Mark Mitchell, Business Manager
Engineers and Scientists of California
Local 20, IFPTE, AFL-CIO & CLC
835 Howard Street, 2nd Floor
San Francisco, CA 94103

Dear Mr. Mitchell:

The Company and Union have concluded negotiations for newly represented Environmental Services and Environmental Remediation. The agreed upon contract language for Exhibit Z 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/Jeffrey M. Delaney
Jeffrey M. 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

 February 24 , 2010

By: s/Mark Mitchell
Mark Mitchell
Business Manager

Exhibit Z

Environmental Services and Environmental Remediation

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 all classifications in the representation card-count conducted May 12, 2008. Pursuant to the Neutrality Agreement between the Company and Union, these classifications will be incorporated into the ESC Agreement. Those conditions are described below. Unless otherwise noted, the term "employee" refers to those in classifications covered in the aforementioned unit certification.

1. Job Requirements:

a) Job Descriptions and Qualifications

See Attachment A.

The lists of "knowledge/abilities" included in job descriptions are among the desirable criteria for individuals who occupy the positions in question. The lists are not intended to be exhaustive, and individuals need not satisfy every criteria to be considered qualified.

Incumbent employees who do not meet the job qualifications for their current position shall be grandfathered for that position.

Non-supervisory managers (Principals) may continue to perform all work historically performed provided that this provision shall not be used by the Company solely to reduce bargaining unit positions.

The number of supervisors doing bargaining unit work will not exceed the historical practice of the number of supervisors who perform such work, and the percentage of bargaining unit work those supervisors perform as compared to their total workload will also be consistent with historic practice. In no event will bargaining unit work comprise more than 50% of a supervisor's duties.

The Company and Union agree to form a joint committee to clarify work assignments between Journey, Senior and Senior Consulting level Remediation Project Managers.

b) Performance Standards

Employees shall continue to be covered by the management performance appraisal/development process. The performance appraisal form may be modified by Company from time to time, but significant and or substantive changes to the standards used must first be bargained with the Union.

2. Hours and Pay

a) Rate of Pay

See Attachment B.

Any general wage increase ratified in General Negotiations will apply to the base pay of employees organized under the Neutrality Agreement in the Environmental Services Group, i.e., no lump sum GWI or red-lined rates of pay, for the term of the agreement.

An employee with a rate of pay below the range maximum and who qualifies for a PWI shall receive a 2.5% PWI (not to exceed the range maximum) effective November 1, 2009. If such employee's rate of pay is still below the range maximum, the employee shall be entitled to an additional PWI of 2.5% (not to exceed the range maximum) effective March 1, 2010.* Thereafter, such employee shall be entitled to a PWI in accordance with Subsection 15.4 (b)(2) if monthly, or Subsection 15.4 (b)(1), if weekly, of the Collective Bargaining Agreement.

*Adjustments will be made subject to SAP programming restrictions. While not expected to occur, should the PWIs be delayed due to SAP programming restrictions, such adjustments shall be made retroactively.

Current incumbents with a rate of pay above the range maximum will not receive Progressive Wage increases.

b) Contingent Compensation

- The parties agree to continue the current compensation incentive plan except as specified below, and further agree not to make changes to how payments are determined (nine box grid) for the life of the agreement, e.g. no enhanced "flexibility" of supervisor grading.
- The Senior Vice President of Human Resources will review any determination that an employee would not receive an incentive plan payment.
- The parties agree to meet and discuss how system-wide incentive contingent compensation is to be paid in advance of the 2011 negotiations. Said discussions will take place in 2010 within 6 months of ratification and may include 3rd party assistance, as agreed to by the parties. Any studies commissioned on contingent compensation and related to the bargaining unit, shall be jointly commissioned by both parties but paid solely by the employer. These talks shall be considered ad hoc and cost for lost time to be paid by the employer. The Union committee will consist of no more than 6 PG&E employees, plus appropriate Union staff and consultants.
- Hourly employees shall not receive contingent compensation; their compensation will be all base pay.

c) Overtime Eligibility

Positions currently considered exempt will remain exempt. In the event that a position must be reclassified as non-exempt, this agreement may be re-opened to negotiate and appropriate rate of pay for that position.

The current exempt employee additional time worked policy will remain in place with these provisions:

- On a regular work day, all additional work time must be approved in advance and only approved time worked in excess of 2 hours beyond the end of a regular work day shall be considered as time worked for purposes of calculating overtime.
- On a non-work day, time must be approved in advance and all approved hours worked shall be considered time worked for purposes of calculating overtime.
- Overtime shall be paid at the straight time rate.

The first two additional hours worked on a regular workday are not compensated.

Non-exempt positions will be paid bi-weekly and covered by the current collective bargaining agreement in regard to overtime and hours.

3. Hours

The work hours of exempt employees covered by this Exhibit may vary on any given day. Although each employee shall have a designated work schedule, employees may be required to work a different schedule (including afternoon or evening start times), or work for more than eight hours on a workday, or to work on a non-work day, as the occasion demands. Time worked beyond the employee's normal schedule may be eligible for compensation as defined in the "overtime" section of this Exhibit.

At the discretion of management, and with agreement between the Company and Union, "alternative work schedules" other than "five eights," such as a nine day, eighty hour schedule may be implemented. Although it is not the Company's current intent to change existing 9x80 schedules, these or any other alternative schedules may be canceled by the Company at any time. In addition, the alternative work schedule of an individual employee may be canceled based on the needs of the operation and/or the employee's performance. Employees who work an alternative work schedule shall be available to support business needs on their regular day off (RDO) by, for example, either responding to phone calls or rescheduling their RDO as needed.

Management will make every reasonable effort to schedule business travel to occur on scheduled work days.

The provisions of Titles 7 (Hours), 16 (Meals) and 17 (Overtime) and Section 8.5 (Pay for work on a Holiday) of the agreement shall not be applicable to the exempt employees covered by this agreement.

Travel is an integral part of these positions and time spent traveling, other than commute to or from an employee's headquarters, may be considered to be time worked. Employees must receive prior approval from the appropriate level of supervision to record additional time. Payment for additional time will be consistent with the Overtime provisions in Section 2 above. All additional time worked will be reduced by the employee's normal commute, unless the employee is called out under the provisions for regular or intermittent on-call or otherwise called out on a non-work day.

Meals are reimbursable if for out of town or overnight business travel and for other approved business needs. 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 are discouraged and are only reimbursable if approved in advance by the employee's Director or VP.

Time spent traveling in excess of an individual's normal commute may be considered as time worked and compensated under the overtime practice, provided the time is approved in advance, and employees are not commuting to or from their regular headquarters.

Telecommuting arrangements made pursuant to PG&E Corporation and Pacific Gas & Electric Company's Telecommuting Guidelines and Procedures shall apply. Either party may cancel the telecommuting arrangements. The Telecommuting Guidelines will be consistently applied.

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

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.

4. Advancement and Filling of Vacancies

a) Advancement

Associates who meet the job qualifications of a Journey in the same line of progression and who are performing the job duties of their current classification satisfactorily shall advance to Journey. Journeys who meet the job qualifications of a Senior in the same line of progression and are performing the job duties of their current classification satisfactorily shall advance to Senior, provided that the Company determines that an operational need exists for a Senior position in that line of progression.

If, when the Company determines an operational need exists, more than one Journey in a line of progression is qualified to advance as set forth above, the Company shall select the employee whose ability and personal qualifications make him/her most qualified for the job. If ability and personal qualifications are substantially equal, seniority shall prevail.

Senior level employees who meet the job qualifications of a Senior Consulting position (where available) and who are performing the job duties of their current classification satisfactorily may advance to Senior Consulting if the Company, in its sole discretion, determines that a business need exists, such as the need for technical leadership. If such a need exists but the Company determines that there are no qualified candidates in the unit, the Company may consider other candidates using the joint selection board used to fill vacancies. The Company may fill this position(s) at its discretion, and there is no requirement that such a position be backfilled after it is vacated for any reason.

If, when the Company determines an operational need exists, more than one Senior in a line of progression is qualified to advance as set forth above, the Company shall select the employee whose ability and personal qualifications make him/her most qualified for the job. If ability and personal qualifications are substantially equal, seniority shall prevail.

b) Vacancies

If, when the Company determines an operational need exists and no one in the line of progression is qualified to advance as set forth above, a vacancy exists.

When vacancies occur, a selection board which includes one or two management representatives and one or two Union appointed Environmental Services or Environmental Remediation employees will interview applicants, using jointly developed job qualifications and interview questions. If the selection board decides there are too many applicants to interview for a particular opening, it will decide which applicants to interview by screening applications against the selection criteria.

In half of the vacancies to be filled, only ESC-represented employees who apply will be considered for interviews. If no ESC-represented candidates apply, or if the selection board determines (as described below) that the ESC candidates are not qualified, additional candidates from outside the unit may be considered. For the remaining Associate or Journey vacancies, the Company may add candidates from outside the unit.

For all vacancies, the selection board shall evaluate and select the most qualified candidate based upon the selection criteria, interview performance and, for PG&E employees, current performance and seniority. In the event the board is deadlocked the Company will make the final decision, which shall be subject to the grievance procedure only to determine whether the Company considered all of the factors listed above before deciding.

5. Line of Progression/Reverse Line of Progression:

Separate lines of progression and reverse lines of progression shall be in place for:

- Aquatic Biologist
- Terrestrial Biologist
- Cultural Resource Specialist
- Remediation Project Manager
- Project Management Analyst
- Budget Analyst
- Contract Administrator
- Technical Assistant
- Environmental Scientist
- Additional job classifications to be developed as needed

Each Line of Progression will be its own bid unit.

Employees in the Environmental Scientist classification shall be designated in 1 of 3 disciplines: water, air or hazardous materials. For purposes of advancement or reduction in force, each discipline shall be its own bid unit as if each is a separate line of progression/reverse line of progression.

Specific positions within the Environmental Scientist classification may be designated as requiring a Professional Engineer (PE) license to perform job duties where the PE stamp is necessary, and such positions shall only be open to employees holding such a license.

6. Seniority

Unless otherwise provided, Company seniority will be used in a manner consistent with the current ESC agreement.

7. Employment Offers

At its discretion, the Company may offer candidates, at the time of employment, additional vacation, the management relocation process, and/or signing bonuses.

Attachment B:

2009 Annual Salary Ranges for Environmental Services (proposed wages are monthly except as specified):

	<u>Min</u>	<u>Max</u>
Project Management Analyst	53,300	77,800
Project Management Analyst, Senior	67,400	91,300
Aquatic/Terrestrial Biologist, Associate	45,500	65,000
Aquatic/Terrestrial Biologist	60,000	85,000
Aquatic/Terrestrial Biologist, Senior	75,000	102,000
Sr. Consulting Scientist	93,400	117,200
Cultural Resources Specialist, Associate	43,200	61,700
Cultural Resources Specialist	57,000	80,700
Cultural Resources Specialist, Senior	71,200	96,900
Cultural Resources Specialist, Sr. Consulting	88,700	111,300
Contract Administrator	50,000	71,700
Contract Administrator, Senior	60,000	82,400
Budget Analyst	53,300	77,800
Budget Analyst, Senior	67,400	91,300
Remediation Project Manager	62,000	88,000
Remediation Project Manager, Senior	75,000	105,000
Remediation Project Manager, Sr. Consulting	92,000	118,000
Environmental Scientist	61,900	85,000
Environmental Scientist, Senior	76,200	102,000
Environmental Scientist, Sr. Consulting	93,400	117,200
Technical Assistant (weekly)	41,500	51,900
Technical Assistant, Senior (weekly)	50,700	62,200