

LETTER of UNDERSTANDING
Fire Risk Mitigation Program (FiRM)
ERO Construction Section

This Letter of Understanding is entered into this 16th day of July, 2014 by and between IBEW Local 465 (hereinafter referred to as "Union") and San Diego Gas & Electric (hereinafter referred to as "Company").

As the parties have an interest in developing and creating a Capital Projects Construction Department hereinafter referred to as the "ERO Construction Section", therefore, the Company and the Union agrees as follows:

The provisions of this agreement shall apply only to field employees assigned to the ERO Construction Section. Invitation to Bid documents will be developed for specific classifications regarding the ERO Construction Section so as to define terms regarding rotational opportunities.

1. Operating Locations

The primary operating locations may include, but not be limited to, existing Construction & Operations Centers. Secondary operating locations may be identified and utilized based on construction needs.

2. ERO Construction Section Represented Personnel

Line Division

Personnel will be selected by the Bidding process for a rotation period of approximately three (3) months, and will include the classifications of Working Foremen E, Linemen, Linemen (Transmission), Apprentices, and Line Assistants.

- a. Successful Bidders will be selected based on the operational needs of the District, past performance, and ERO Construction Section needs.
- b. Successful Bidder rotation opportunities may occur approximately every three (3) months, however, preference will be given to personnel who have not yet held a rotation.
- c. Relief Electric Troubleshooters and Relief Fault Finding specialists selected for an ERO Construction Section rotational assignment will be required to relinquish their respective troubleshooting/Fault Van shift schedules for the duration of their ERO Construction Section rotation.
- d. Successful Bidders will select their desired ERO Construction Section operating location based upon seniority within their respective rotation.
- e. Personnel assigned to the ERO Construction Section will be removed from their respective Home District Call-out and On-Call lists for the duration of their ERO Construction Section rotational period.

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- f. In the event there is a slowdown in the amount of available work, crew personnel will be returned to their Home District at Management's discretion until such time as sufficient work becomes available in the ERO Construction Section.
- g. If there are not enough Successful Bidders for the ERO Construction Section, then the Company may assign Working Foremen E, Linemen, Apprentices, and Line Assistants to fill vacant positions based on the least seniority. Assignments shall be made geographically by region (north or south). The minimum assignment period would last for the duration of the individual job assigned.
- h. Personnel with the least seniority who are required to fill vacant positions in the ERO Construction Section will be required to work in the ERO Construction Section for a maximum of three months prior to being allowed to return to their Home District depending on the individuals interests and resource needs regarding staying on the ERO Construction Section or going back to their Home District. At Company's discretion, those individuals not desiring to continue on the project will be granted a three month break prior to being reassigned to the ERO Construction Section.
- i. If a rotational assignment completes prior to the end of a job and in order to maintain job continuity, the Working Foreman – Electric and assigned crew members who start a job will be required to complete that job before rotating off the ERO Construction Section.

Wage Premium ERO Construction Section Represented Personnel

The following wage Premium will be applicable for individuals only when performing work on the ERO Construction Section project.

Working Foreman	3% increase per hour above current rate
Lineman	3% increase per hour above current rate
Apprentice Lineman	3% increase above current wage step per hour
Line Assistant	3% increase above current wage step per hour

Digging Crew - Gas Construction Department

Hand digging crews will be developed as an assigned, dedicated crew throughout the project and comprised first of Company employee's in the classification of Laborer or higher classification. The hand digging crew foremen position shall filled by employees in the classification of Tech B or higher. Additional resource needs may be obtained through Union contracted sources when adequate Company resources may not be available.

Personnel will be selected by bidding process for a rotation period of approximately three (3) months.

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- a. Successful Bidders will be selected based on the operational needs of the District, past performance, and ERO Construction Section needs.
- b. Successful Bidder rotation opportunities may occur approximately every three (3) months, however, preference will be given to Successful Bidders who have not yet held a rotation.
- c. In the event there is a slowdown in the amount of available work, crew personnel will be returned to their Home District until such time as sufficient work becomes available in the ERO Construction Section.
- d. Successful Bidders will select their desired ERO Construction Section operating location based upon seniority within their respective rotation.
- e. Successful Bidders will be removed from their respective Home District Call-out and On-Call lists for the duration of their ERO Construction Section rotational period.
- f. If there are not enough Successful Bidders for the ERO Construction Section, then the Company may assign Laborers or higher classifications to fill vacant positions based on the least seniority. Assignments shall be made geographically by region (north or south). The minimum assignment period would last for the duration of the individual job assigned.
- g. Personnel with the least seniority who are required to fill vacant positions in the ERO Construction Section will be required to work in the ERO Construction Section for a maximum of three months prior to being allowed to return to their Home District depending on the Individuals interests and resource needs regarding staying on the ERO Construction Section or going back to their Home District. At Company's discretion, those individuals not desiring to continue on the project will be granted a three month break prior to being reassigned to the ERO Construction Section.

Wage Premium ERO Construction Section Represented Personnel (Gas Department)

The following wages will be applicable for individuals only when performing work on the ERO Construction Section project.

Working Foreman (Digging Crew)	3% increase per hour above current rate
Laborer (assigned to digging crew)	3% increase above current wage step per hour

3. Use of Technology for Work Management

Company at its discretion will use the current processes or other technology for managing work assignments, scheduling, and timekeeping (Electronic Time Sheets, etc.) purposes.

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4. Crew Dispatching

ERO Construction Section Crews will be dispatched work by Company personnel with the title of Dispatcher within the Area Resource Scheduling Organization (ARSO). The ARSO Dispatcher assigned to the ERO Construction Section will be determined first through the transfer process. In the event no transfers are on file, the dispatcher will be determined through the bid process and will be physically located with the leadership and support staff of the ERO Construction Section unless otherwise approved.

Wage Premium ERO Construction Section Represented Personnel (Crew Dispatching)

The following wages will be applicable for individuals only when performing work on the ERO Construction Section project.

District Crew Dispatcher	3% increase per hour above current rate
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5. Operation Hours/Shifts

Normal operating hours shall be Monday through Friday, 7:00 a.m. to 3:30 p.m. Company and the Union will agree to follow all quoted language in the Amended Agreement regarding Hours, Flexible Work Schedules, Shifts, Shift Premiums, Wages, and Overtime provisions unless otherwise defined between the parties. A typical work week may be instituted to reflect the hours of 7:00 a.m. to 5:30 p.m., Monday through Saturday at the discretion of ERO Construction Section Management.

6. Overtime

1. The ERO Construction Section will maintain a separate Pre-Arranged and All Other Overtime list for each operating location.
2. The ERO Construction Section will not have an On Call Crew and employees on the project will be exempted from call out assignments.
3. Individuals assigned to the ERO Construction Section project may be required to work overtime including extended days and weekends.

7. Mutual Assistance

All Other Overtime lists will be maintained and utilized for consideration of mutual assistance opportunities in accordance with all quoted language in the Amended Agreement.

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8. ERO Construction Supplemental List

A 'Supplemental List' shall be maintained and updated after each approximate three (3) month rotational process. The Supplemental List will contain the names of those employees who were not selected during the current bid period, but have confirmed an on-going interest for being considered to support opportunities on the project. The list will be maintained and exercised by seniority and Home District minimum resource requirements. The list may be utilized in several situations:

1. When a current employee on the project has encountered a reasonable hardship and needs to step off the project prior to the end of their approximate three (3) month rotation;
2. When work activities increase for a short period of time and additional resources are required to meet project requirements (e.g. schedule milestones); and
3. When several project team members are absent due to illness or vacation and additional resources are needed on a given day to meet project requirements provided the home District agrees to provide the support.

9. Travel/Per Diem

An employee assigned to the ERO Construction Section will receive a \$50.00 per day flat rate travel expense. Travel terms noted within the current CBA will not be recognized.

10. Expand/Contract the Organization

The ERO Construction Section will have the ability to increase resource staffing through use of the ERO Construction Supplemental List as well as decrease staffing with an appropriate lead-time of one pay period notice as may be appropriate to meet the project schedule and budget requirements as well as support District requirements.

11. Red Flag/Elevated Wind/Storms Operations and Staffing

Provided no work curtailment notices are issued during Red Flag/Elevated Wind/Storm events, employees on the ERO Construction Section will continue to work on project construction with appropriate fire prevention methods in place (e.g. Capstone Crews on-site) and will not be available for stand-by positions. In the event that a work stoppage is issued for the work area of a ERO Construction Section crew or available resources within the Home District where ERO Construction Section crews are working, then ERO Construction Section crew members can be assigned to support the Red Flag/Elevated Wind/Storm event requirements as determined by the Company by utilizing language noted within the current CBA.

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ERO Construction Section crew members will be immediately redirected to work on emergency activities as directed by the Company if a catastrophic event occurs and all Company crews are needed to make repairs within mandated time frames.

12. TCM Involvement

Linemen (Transmission) and Apprentice Employees from the Transmission Construction and Maintenance (TCM) Department may be included in opportunities for the ERO Construction Section at the discretion of TCM Management.

13. Other Considerations

1. Creation of this Department and all subsequent rules agreed to by the parties will be instituted as a "Pilot Program." The Pilot Program's duration shall be approximately one (1) year. By mutual agreement the parties may add additional rules or modifications during the Pilot Program. After the approximate one (1) year period, the parties may make this agreement 'permanent' by mutual agreement or extend the Pilot Program period as agreed upon between the parties.
2. The Company maintains the right to utilize Contract crews as necessary to perform Capital Construction related tasks at Management's discretion.
3. All wage premiums noted will be subject to general wage increases as per negotiated terms and specified within the CBA.



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