



A line of communication to the members of LU 614
October 15, 2008

Agreement Reached for “3.1” Employees Transition Plan

On Oct 14, after several months of negotiations, the company and representatives of International Brotherhood of Electrical Workers Local 614 reached tentative agreement addressing future pay practices for represented employees who are currently subject to the merit pay process.

The agreement covers approximately 350 represented employees at the PECO Call Center and PECO back office positions, a group of jobs commonly referred to as 3.1 jobs since employees in these jobs receive annual increases on March 1st each year under the merit process.

This tentative agreement will be subject to ratification in 2010 as part of the new contracts that go into effect at the expiration of the current contracts. Until then, the current annual, individual merit-based wage process will continue to be in effect, according to the current contract.

Under the new contracts the merit-based wage increase process will be replaced by a general wage increase process, with employees receiving the same percentage increase.

The tentative agreement calls for new starting and final rates for new hires and transfers in each of the twenty-one 3.1 jobs once the new contracts are ratified in 2010. For employees who are in 3.1 jobs under the current agreement (incumbents), it provides for increases within 30 days of ratification, if the new rates are higher than the employee’s existing rate at that time.

Incumbents with a wage rate equal to or higher than the new rates will be “grandfathered,” and their wage rates will not be adversely affected by the new wage rates. In any event, under the new contracts, employees in 3.1 jobs will all receive any future negotiated base-wage rate increases.

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