



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 04-43-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(925) 974-4104

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700

STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

September 20, 2004

Mr. Perry Zimmerman, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Zimmerman:

This letter cancels and supersedes our Letter Agreement No. 96-98-PGE dated October 18, 1996 on the same subject.

California Gas Transmission (CGT) conducted a one-year pilot of a Behavioral Accident Prevention Process (BAPP) in 1996-97. The pilot was successful, and the Company and Union have continued this process for 8 years. Since LA 96-98-PGE was a one-year pilot, this new Letter Agreement formalizes the establishment of BAPP in CGT.

BAPP is a nationally recognized safety awareness program developed by Behavioral Science Technologies and involves co-workers formally observing each other to identify behaviors that may place employees "at risk" of injury. This formal observation is called a Critical Behavior Inventory (CBI). One of the principles of the program is that employees who are observed by a co-worker, during the CBI process, doing something that may place them at risk of injury will not be disciplined for that behavior. This principle was established to encourage co-workers, who may not normally identify "at risk" behavior out of fear that it would lead to a co-worker being disciplined, to actively participate in the program as "observers" and improve workplace safety.

The BAPP process is fundamentally an employee participation program. As such, the process will comply with all provisions of Letter Agreement RI-94-49-PGE, dated June 3, 1994 regarding employee participation programs.

The program does not impact management's rights to discipline an employee for failing to follow an established accident prevention rule that is observed by management or is brought to management's attention from other than a co-worker formally observing a co-worker through BAPP. The Company's agreement not to discipline employees for an action observed through BAPP will not be cited by the Union as disparate treatment of employees disciplined for a similar offense not identified through BAPP.

Either party may cancel this agreement by providing the other party with a 30-day written notice of cancellation.

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: _____

Stephen A. Rayburn
Stephen A. Rayburn
Director and Chief Negotiator

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

LOCAL UNION NO. 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

By: _____

Perry Zimmerman
Perry Zimmerman
Business Manager

Nov 16, _____, 2004