



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 05-29-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

June 22, 2005

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:

Due to changes in California law regarding domestic partnerships, the Company will be changing the administration process for the registration of domestic partnerships. Effective August 1, 2005, the internal registration of domestic partnership provision in Letter Agreement R1-97-64 will be eliminated.

Employees who currently have a domestic partnership registered with PG&E will be advised by the Company that they need to re-register their domestic partnership with one of the municipalities listed on the attached roster or the State of California by December 31, 2005, and contact PG&E's HR Service Center to advise the Company of their revised registration. Failure to register with one of the governmental agencies on the roster will result in the employee's domestic partner benefits being discontinued effective January 1, 2006. Employees who have already registered with a governmental agency as well as PG&E, will be advised that they need to contact the HR Service Center to advise the Company of their alternate registration.

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
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
Business Manager

July 14, 2005



Dear PG&E Retiree:

Due to changes in California law regarding domestic partnerships, effective August 1, 2005, PG&E will no longer maintain a registry for domestic partnerships. However, several government agencies within California maintain registries where domestic partnerships can be established. For your convenience, a listing of government agencies in California that currently maintain registries is attached.

If you currently have a domestic partnership registered with PG&E, you will need to re-register with one of the agencies listed by December 31, 2005, and then contact PG&E's HR Service Center at (415) 973-2363 or (800) 700-0057 to advise the company of your revised registration. Failure to do so will result in your domestic partner medical benefits at PG&E being discontinued effective January 1, 2006. If you have already registered with the California Secretary of State or a municipality and you currently have a PG&E registration as well, contact the HR Service Center to advise the company of your alternate registration.

In the future, retirees who register a domestic partnership with one of the listed agencies should contact the HR Service Center to request that their domestic partner and/or the children of their partner be added to their PG&E medical plan. In order for your partner and/or your partner's children to be properly enrolled, you must contact the HR Service Center within 31 days of the date on which your domestic partnership declaration was notarized. Coverage will become effective the first of the month following notification to the HR Service Center, provided that such notification is received within the 31-day timeframe.

Please note that the value of domestic partner benefits is generally subject to federal and state imputed income tax withholding. However, if you elect to register your partnership with the California Secretary of State, California state income taxes will not be withheld on the imputed income for your partner's benefits (or those of your domestic partner's eligible dependents) *if* you submit a copy of the State's stamped declaration to the company. In accordance with applicable law, for registrations with all other government entities aside from the State, PG&E must withhold state income taxes on the imputed income for your domestic partner benefits *unless your partner qualifies as an IRS tax dependent and you submit a Tax Certification Form for Domestic Partnerships* to the company (Contact the HR Service Center at (415) 973-2363 or (800) 700-0057 to request the form). Please note that the continuing status of IRS tax dependency for a domestic partner must be re-certified annually prior to the start of each new calendar year.

Domestic partner benefits are subject to the same eligibility and enrollment rules as benefits for other dependents. For example, you must notify the HR Service center within 31 days if the child of a domestic partner loses eligibility because the child is no longer a tax-qualified student. In addition, if your domestic partnership ends, you must notify the HR Service Center within 31 days of the termination. Retirees who cover ineligible dependents will be required to make restitution to the Company for medical plan coverage provided for the ineligible dependent up to \$7,500, and may include the cancellation of enrollment in a PG&E medical plan.

If you have any questions regarding the changes in domestic partnership registration, please call the HR Service Center at (415) 973-2363 or (800) 700-0057.

BENEFITS

Attachment

California Municipalities with Domestic Partner Registries

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| <p>San Francisco City and County (www.sfgov.org)</p> <p><u>To register with the City:</u></p> <ul style="list-style-type: none"> • No residency requirement • \$41 to file declaration • Both partners must be present to file and present picture ID at office when filing <p><u>To register with a notary public:</u></p> <ul style="list-style-type: none"> • No residency requirement • Must complete the Domestic Partner Declaration form (downloadable from website shown above) and have both partners' signatures on the declaration notarized • Do not have to submit declaration to the City, but the notary or a person who witnessed the notarization must keep a copy of the signed document for the registration to be legal and binding <p><u>To terminate registration with the City:</u></p> <ul style="list-style-type: none"> • Must file a termination form if partnership ends (downloadable from website shown above) • Termination form must be notarized and a copy given to the notary or the person who witnessed the declaration | <p>City of West Hollywood (www.weho.org)</p> <ul style="list-style-type: none"> • No residency requirement • \$25 to file declaration, plus notary charge • Can mail in notarized declaration • \$18 to process terminations, plus notary charge |
| <p>Marin County (www.co.marin.ca.us)</p> <ul style="list-style-type: none"> • Must live or work in Marin County • \$20 to file declaration, plus notary charge • Can mail in notarized declaration | <p>Los Angeles County (www.lavote.net/clerk/partnership)</p> <ul style="list-style-type: none"> • Must live or work in the Los Angeles County • \$20 to file declaration, plus notary charge • Must be filed by mail (cannot be presented in person) • \$15 to process terminations, plus notary charge |
| <p>City of Berkeley (www.ci.berkeley.ca.us)</p> <ul style="list-style-type: none"> • No residency requirement • \$30 to file declaration, plus notary charge • One partner must file the declaration in person • \$2-\$5 to process terminations | <p>City of Laguna Beach (www.lagunabeachcity.net)</p> <ul style="list-style-type: none"> • No residency requirement • \$25 to file declaration, plus notary charge • Both partners must be present to file and present picture ID at office when filing |
| <p>City of Petaluma (www.cityofpetaluma.net)</p> <ul style="list-style-type: none"> • Must live or work in the City of Petaluma • \$65 to file declaration, plus notary charge • One partner must file the declaration in person • No cost to file for termination of partnership | <p>City of Santa Monica (www.santa-monica.org)</p> <ul style="list-style-type: none"> • No residency requirement • \$15 to file declaration, plus notary charge • One partner must file the declaration in person • \$7 to process terminations |
| <p>City of Oakland (www.oaklandnet.com)</p> <ul style="list-style-type: none"> • Must live or work in Oakland • \$40 to file declaration, plus notary charge • Can mail in notarized declaration • \$10-\$15 to process terminations | |

States with Domestic Partner Registries

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| <p>California Secretary of State (www.ss.ca.gov)</p> <ul style="list-style-type: none"> • No residency requirement • Must be of the same sex or, if opposite sex, at least one partner must be at least age 62 • \$10 to file declaration by mail, plus notary charge • \$25 to file declaration in person, plus notary charge • Secretary of State offices located in the following cities: <ul style="list-style-type: none"> * San Diego * Los Angeles * Fresno * San Francisco * Sacramento | <p>State of Maine (www.state.me.us)</p> <ul style="list-style-type: none"> • Must live in the state and have lived together for 12 months • \$35 to file declaration, plus notary charge • Must be filed by mail (cannot be presented in person) • \$35 to process terminations, plus notary charge • Forms available at the following offices: <ul style="list-style-type: none"> * Municipal offices in Maine * Regional offices of Dept of Health & Human Services * Probate Courts within Maine |
| <p>State of New Jersey (www.state.nj.us)</p> <ul style="list-style-type: none"> • Registry only available to partnerships in which at least one partner is a member of a New Jersey State-administered retirement system | |



Dear PG&E Employee:

Due to changes in California law regarding domestic partnerships, effective August 1, 2005, PG&E will no longer maintain a registry for domestic partnerships. However, several government agencies within California maintain registries where domestic partnerships can be established. For your convenience, a listing of government agencies in California that currently maintain registries is attached.

If you currently have a domestic partnership registered with PG&E, you will need to re-register with one of the agencies listed by December 31, 2005, and then contact PG&E's HR Service Center at (415) 973-2363 or (800) 788-2363 to advise the company of your revised registration. Failure to do so will result in your domestic partner benefits at PG&E being discontinued effective January 1, 2006. If you have already registered with the California Secretary of State or a municipality and you currently have a PG&E registration as well, contact the HR Service Center to advise the company of your alternate registration.

In the future, employees who register a domestic partnership with one of the listed agencies should contact the HR Service Center to request that their domestic partner and/or the children of their partner be added to their PG&E benefit plans. In order for your partner and/or your partner's children to be properly enrolled, you must contact the HR Service Center within 31 days of the date on which your domestic partnership declaration was notarized. Coverage will become effective the first of the month following notification to the HR Service Center, provided that such notification is received within the 31-day timeframe.

Please note that the value of the domestic partner benefits is generally subject to federal and state imputed income tax withholding. However, if you elect to register your partnership with the California Secretary of State, California state income taxes will not be withheld on the imputed income for your partner's benefits (or those of your domestic partner's eligible dependents) *if* you submit a copy of the State's stamped declaration to the company. In accordance with applicable law, for registrations with all other government entities aside from the State, PG&E must withhold state income taxes on the imputed income for your domestic partner benefits *unless your partner qualifies as an IRS tax dependent and you submit a Tax Certification Form for Domestic Partnerships* to the company (downloadable from the HR website at www.hr/Benefits or contact the HR Service Center at (415) 973-2363 or (800) 788-2363 to request the form). Please note that the continuing status of IRS tax dependency for a domestic partner must be re-certified annually prior to the start of each new calendar year.

Domestic partnerships are subject to the same eligibility and enrollment rules as other dependents. For example, you must notify the HR Service center within 31 days if the child of a domestic partner loses eligibility because the child is no longer a tax-qualified student. In addition, if your domestic partnership ends, you must notify the HR Service Center within 31 days of the termination. Employees who cover ineligible dependents will be required to make restitution to the Company for health care coverage up to \$7,500 and may be subject to disciplinary action, up to and including discharge.

If you have any questions regarding the changes in domestic partnership registration, please call the HR Service Center at (415) 973-2363 or (800) 788-2363.

BENEFITS

California Municipalities with Domestic Partner Registrations

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| <p>Marin County (www.co.marin.ca.us)</p> <ul style="list-style-type: none"> • Must live or work in Marin County • \$20 to file declaration, plus notary charge • Can mail in notarized declaration to the County | <p>Los Angeles County www.lavote.net/clerk/partnership)</p> <ul style="list-style-type: none"> • Must live or work in the County of Los Angeles • \$20 to file declaration, plus notary charge • Must file notarized declaration by mail • \$15 to process terminations, plus notary charge |
| <p>City of Berkeley (www.ci.berkeley.ca.us)</p> <ul style="list-style-type: none"> • No residency requirement • \$30 to file declaration, plus notary charge • One partner must file the declaration in person • \$2-\$5 to process terminations | <p>City of Laguna Beach (www.lagunabeachcity.net)</p> <ul style="list-style-type: none"> • No residency requirement • \$25 to file • Both partners must be present to file • Must present picture ID at office when filing |
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