



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 06-18-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

April 28, 2006

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:

The Transitional Leaves of Absence and Prompt Written Notice language stated below cancels and supersedes the Transitional Leaves of Absence language and the Prompt Written Notice language in Letter Agreement 05-66-PGE. All other provisions of Letter Agreement 05-66-PGE remain in effect.

Transitional Leaves of Absence

In lieu of severance as provided in the Physical and Clerical Agreements, impacted EMPLOYEES who are age 52 and above at time of notification may elect to convert their severance into either a 100% or a 50% paid leave of absence (Transitional Leave of Absence). For EMPLOYEES electing to take a Transitional Leave of Absence, the length of the leave of absence will be based on 100% or 50% funding of the severance, depending on whether the EMPLOYEE selects a fully paid or partially paid leave. EMPLOYEES on a Transitional Leave of Absence at 100% of their pay will receive medical, dental, and vision benefits at the same rate as employees on full-time, regular status for plan purposes. EMPLOYEES on a Transitional Leave of Absence at 50% of their pay may continue to participate in Company-sponsored medical, dental and vision benefits, with employee contributions calculated using a 50% part-time employee rate. EMPLOYEES may elect to cancel their medical, dental or vision coverage consistent with current plan provisions. In addition, EMPLOYEES on a 50% Transitional Leave of Absence will accrue half the service of a full-time employee during the period of their leave of absence. EMPLOYEES who elect a Transitional Leave of Absence must remain on the leave of absence for the duration of time equivalent to their severance payment amount. EMPLOYEES may not seek a Hiring Hall assignment during their leave of absence and will not be eligible to apply for Long Term Disability benefits during their leave of absence. To obtain the Transitional Leave of Absence, EMPLOYEES must sign a severance agreement. EMPLOYEES who elect a Transitional Leave of Absence option will not receive the COBRA offset provided for in Exhibit K of the Clerical Agreement or Exhibit XIV of the Physical Agreement and will not be able to take unused vacation while on the leave of absence. EMPLOYEES will be paid for unused vacation at the end of the Transitional Leave of Absence. EMPLOYEES will not receive a general wage increase (GWI) or progressive wage increase (PWI) while on a Transitional Leave of Absence. However, their pension will be calculated using the January 1 rate of pay in the year the Transitional Leave of Absence ends.

A copy of the administrative guidelines governing various bargaining unit severance/leave options is attached.

Prompt Written Notice

The Company will inform the Union prior to providing employees notification that they are subject to displacement. As soon as possible after the Company has identified EMPLOYEES, the Company will provide them with Section 206.1/306.1/19.1 written notification of their status and inform them of the specific workforce transition benefits available to them under this Letter Agreement. EMPLOYEES may elect severance after receiving their Section 206.1/306.1/19.1 written notice. The Company may place a cap on the number of employees who may elect severance based on business needs. Company may also opt to provide Section 206.1/306.1/19.1 written notice for the sole purpose of providing employees with accelerated bidding and transfer rights without invoking the provisions of Letter Agreement 05-66.

When Company gives Section 206.2/19.2 notice, the filling of bargaining unit vacancies pursuant to Title 205/18 will be suspended until released by those administering the displacement activity.

If you are in accord with the foregoing, and agree thereto, please so indicate in the space provided below and return one executed copy of this letter to Pacific Gas and Electric Company.

Very truly yours,

PACIFIC GAS AND 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

May 9, 2006

By: Perry Zimmerman
Perry Zimmerman
Business Manager

**Pacific Gas and Electric Company - Bargaining Unit Employees
Workforce Transition Program**

April 2006

Administrative Provisions Governing Various Bargaining Unit Severance Options

These administrative guidelines are a summary of the provisions applicable to those on an educational or transitional leave of absence as described in Letter Agreements 05-26-ESC and 05-66-PGE (IBEW). This summary does not purport to be complete, and is qualified in its entirety by reference to the appropriate plan/program to which the provision relates. In the event of a conflict between these administrative guidelines, on the one hand, and the specific plan/program to which they relate, the terms of the respective plan/program shall govern.

Plan/Program Area	Regular Severance	Educational Leave	50% Transitional Leave	100% Transitional Leave
Benefits				
Holidays	Floating Holidays cashed out at time of severance.	No additional Holiday Pay (e.g. In-lieu or Floating Holidays). Any current unused Floating Holidays will be cashed out at end of leave.	No additional Holiday Pay (e.g. In-lieu or Floating Holidays). Any current unused Floating Holidays will be cashed out at end of leave.	No additional Holiday Pay (e.g. In-lieu or Floating Holidays). Any current unused Floating Holidays will be cashed out at end of leave.
Vacation	Accrued vacation including Anniversary and Sick Leave Bonus vacation will be cashed out at time of severance provided the severance date is in the same year that the Anniversary and Sick Leave Bonus vacation are granted.	Already accrued vacation remains while on leave. No additional vacation accruals for time on leave. Any Anniversary and Sick Leave Bonus vacation not used prior to commencement of leave will be forfeited.	Already accrued vacation remains while on leave. No additional vacation accruals for time on leave. Any Anniversary and Sick Leave Bonus vacation not used prior to commencement of leave will be forfeited.	Already accrued vacation remains while on leave. No additional vacation accruals for time on leave. Any Anniversary and Sick Leave Bonus vacation not used prior to commencement of leave will be forfeited.
Retirement Savings Plan	Active participation ends; no additional contributions to the plan.	May continue active participation with company match.	May continue active participation with company match.	May continue active participation with company match.
Retirement Plan	If eligible may receive pension benefit. No further service accrued.	Time on leave is credited as ½ time service. Pension will be based on the January 1 rate of pay in which the leave ends.	Time on leave is credited as ½ time service. Pension will be based on the January 1 rate of pay in which the leave ends.	Time on leave is credited as full-time service. Pension will be based on the January 1 rate of pay in which the leave ends.
Medical, Dental, Vision	Coverage ends at end of month.	May continue participation with employee contributions calculated using a 50% part-time employee rate. No look back at previous time worked.	May continue participation with employee contributions calculated using a 50% part-time employee rate No look back at previous time worked.	May continue participation.

Plan/Program Area	Regular Severance	Educational Leave	50% Transitional Leave	100% Transitional Leave
HCRA/DCRA	Participation ends.	HCRA/DCRA - May continue participation.	HCRA - May continue participation. DCRA - Participation ends.	HCRA - May continue participation. DCRA - Participation ends.
Life Insurance	Active employee Life Insurance terminates at the end of the month.	Coverage continues, no requested change in amounts will take effect. No premium waiver or delayed payments.	Coverage continues, no requested change in amounts will take effect. No premium waiver or delayed payments.	Coverage continues, no requested change in amounts will take effect. No premium waiver or delayed payments.
Compensation				
Base Salary	Utilized to factor severance amount.	Receive 50% of base salary for duration of leave period. Not eligible for pay increases.	Receive 50% of base salary for duration of leave period. Not eligible for pay increases.	Receive 100% of base salary for duration of leave period.
Other				
Employee Discount	Eligible only if qualifying pensioner who started collecting his/her annuity payments immediately upon retirement from PG&E, the utility company. See Information on Employee Rates.	Eligible to receive during duration of leave. Eligible after leave only if qualifying pensioner who started collecting his/her annuity payments immediately upon retirement from PG&E, the utility company.	Eligible to receive during duration of leave. Eligible after leave only if qualifying pensioner who started collecting his/her annuity payments immediately upon retirement from PG&E, the utility company.	Eligible to receive during duration of leave. Eligible after leave only if qualifying pensioner who started collecting his/her annuity payments immediately upon retirement from PG&E, the utility company.
Remaining Severance	N/A – One time lump sum election.	N/A – Leave duration is fixed, no “remaining pay” will be paid if leave is terminated prior to scheduled end date.	N/A – Leave duration is fixed, no “remaining pay” will be paid if leave is terminated prior to scheduled end date.	N/A – Leave duration is fixed, no “remaining pay” will be paid if leave is terminated prior to scheduled end date.



**Pacific Gas and
Electric Company**

Stephen A. Rayburn
Director and Chief Negotiator
Industrial Relations

2850 Shadelands Drive,
Suite 100
Walnut Creek, CA 94598

925.974.4104
Fax: 925.974.4289

MAY 16 2007

April 20, 2007

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

Dear Mr. Dalzell:

Attached is an updated Workforce Transition Program matrix that is an attachment to Letter Agreement 06-18. The Company inadvertently left off the phrase, "Not eligible for pay increases" in the Compensation Section, Base Salary, 100% Transitional Leave box. Adding this sentence is consistent with the provisions stated in Letter Agreement 06-18, "EMPLOYEES will not receive a general wage increase (GWI) or progressive wage increase (PWI) while on a Transitional Leave of Absence."

Sincerely,

Stephen A. Rayburn
Director, Labor Relations

Attachment

**Pacific Gas and Electric Company - Bargaining Unit Employees
Workforce Transition Program**

April 2006

Administrative Provisions Governing Various Bargaining Unit Severance Options

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