



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 06-31-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 RAYBURN
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN
BUSINESS MANAGER

May 24, 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:

In connection with the Dispatch consolidation, the parties have had discussions regarding the residency requirement of Section 3.5 of the Physical Labor Agreement.

Many of the impacted Service Operators and Relief Service Operators have rights to return to the Gas Service Representative (GSR) classification under the voluntary placement process of LA 06-23 and the displacement provisions of Title 206. In order to exercise these rights to return to the GSR classification, employees are required to comply with the residency requirements.

There are some impacted employees who are in a unique situation. At the time they held the GSR classification, their residence complied with the residency requirement. They subsequently bid out of the classification and did not change their residence. Over time, the commute from their residence to their GSR headquarters has increased beyond 30 minutes due to increased traffic. If they return to a GSR position at the headquarters where they last held it, they will no longer meet the residency requirement, even though the headquarters and residence have not changed.

The Company proposes to waive the residency requirements of Section 3.5 for impacted Service Operators and Relief Service Operators who fall under the unique circumstances described above. This proposal is made with the understanding that those employees covered by this waiver will fulfill their obligations as a GSR regarding emergency response. This waiver is limited to the voluntary placement process and the displacement process associated with the staffing of the Concord and Fresno RMCs. Any employee who is placed under this waiver will be expected to comply with the residency requirements if they subsequently change their residence or headquarters.

This process has been discussed with Assistant Business Manager Sam Tamimi.

Mr. Perry Zimmerman

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May 24, 2006
L/A 06-31-PGE

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 the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

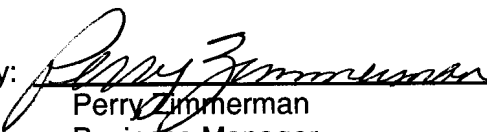
By: 

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

May 25, 2006

By: 

Perry Zimmerman
Business Manager