



**Pacific Gas and  
Electric Company.**

# LETTER AGREEMENT NO. 06-34-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 16, 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 Letter Agreements R1-05-63 and 05-68, the parties agreed to Employee Engagement on Business Transformation Initiative teams and to employee-related expenses beginning in November 2005. Assignments for some employees are now expected to exceed 12 months. IRS regulations require that upon the intent of the Company to retain an employee on a temporary assignment beyond 12 months, all temporary assignment expenses be subject to payroll and withholding taxes.

The Company recognizes that employee participation on the Business Transformation Initiative teams is critical and necessary for reaching its goal of becoming the leading utility in the United States. Therefore, the Company proposes that the Relocation Department make arrangements to work with individual employees who will remain on a temporary assignment beyond 12 months to determine, consistent with Company guidelines, the amount the Company will gross up their temporary assignment expenses.

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  
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

June 27, 2006