



LETTER AGREEMENT NO. 07-07-PGE



PACIFIC GAS AND ELECTRIC COMPANY
LABOR 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

TOM DALZELL
BUSINESS MANAGER

February 13, 2007

Mr. Tom Dalzell, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95687

Dear Mr. Dalzell:

Effective July 1, 2007, the Company proposes to enhance the Retiree Premium Offset Accounts (RPOA) for retirees eligible to receive retiree medical and who retired before 2007 as follows:

Date of Retirement	Years of Service	Amount
Pre-1994	25 or More	\$3,300
Pre-1994	10 to 25	\$18.33 per Month of Service Between 10 Years and 25 Years of Service
Post-1993	25 or More	\$1,650
Post-1993	10 to 25	\$9.16 per Month of Service Between 10 Years and 25 Years of Service

Retirees can use the above RPOA account balance to reduce 25% of their required medical premium contribution.

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: _____


Tom Dalzell
Business Manager

13 FEB, 2007