



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 07-37-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS DEPARTMENT
MAIL CODE N2Z
P. O. BOX 770000
SAN FRANCISCO, CA 94177
(415) 973-4310
STEPHEN RAYBURN
DIRECTOR AND CHIEF NEGOTIATOR

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700
TOM DALZELL
BUSINESS MANAGER

July 26, 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:

A Company-Union Committee was established to review the labor agreements to ensure compliance with California state labor laws in light of recent court decisions. The Committee was to address back pay related to the court decisions and to propose changes to the labor agreements, if appropriate. The Committee determined that although meal practices were consistent with state labor laws and the parties' labor agreements and interpretations thereto when executed, back pay should be paid to certain classifications based on recent court decisions regarding meal periods.

The Committee also recommended guidelines for moving forward to ensure ongoing compliance with labor agreement provisions and recent court decisions regarding California wage and hour law. The parties agree that although no changes to the labor agreement are being proposed at this time, the issue of providing a duty free paid meal period for employees on straight work schedules, and for automatic payment of the missed meal payment to employees who cannot objectively be relieved for a meal, will be revisited during general negotiations.

Further, and following in-depth and extensive discussion and analysis of existing payroll records, the Committee agreed to provide back pay to individuals in classifications as described in this letter agreement. The parties agreed that the methodology to determine back pay is reasonable and fair under the circumstances and also agreed to establish a Committee to review requests for special consideration in regards to missed meal payments.

Finally, the Committee agreed to review the recommended guidelines should the law or its interpretation change prior to general negotiations.

Summary of California Law and Meal Guidelines Moving Forward

General Requirement: The Company has an affirmative obligation to provide a 30-minute uninterrupted meal period. Likewise, employees are responsible for observing meal periods as scheduled and for promptly notifying supervision if business conditions necessitate working through a meal period during regular work hours.

Employees who miss a meal period are obligated to report all missed meals on their time card to ensure they are appropriately compensated. The Company will develop a communication plan to ensure employees are aware of their obligations and responsibilities.

Summary of California Law:

1. An employee must be provided an uninterrupted meal period of at least one-half hour per day that constitutes more than 5 hours of work, unless six hours will complete the day.
2. The meal period must be started no later than 5 hours after the start of work. For example, if the work period starts at 7 a.m., the meal period must begin by 12 noon.
3. A second meal period is required if an employee works more than 10 hours. The second meal period may be waived by mutual consent of the supervisor and employee, provided that the employee observed the first meal period and the total hours worked is not expected to exceed 12.
4. If an employee does not observe a meal period as described above, the employee is entitled to an additional one hour pay at the regular straight time rate of pay (known as the Missed Meal Payment). There is a maximum payout of one Missed Meal Payment per day (24-hour period from the start of work), regardless as to the number of meals that were missed.

Application at PG&E:

1. An employee who does not observe a 30-minute, uninterrupted meal period in the first five hours of work on a regular or pre-arranged overtime workday due to operating issues that prevent a lunch break, shall be entitled to a Missed Meal Payment.
2. An employee who does not observe a 30-minute, uninterrupted meal period on an emergency overtime day by receiving pay at the double time rate for an in-lieu meal payment as provided in Section 104.10 of the Physical Agreement and Section 16.2 of the Clerical Agreement will not receive the Missed Meal Payment. This is because the one half hour in-lieu meal payment at the double time rate is equal to the Missed Meal Payment or one hour at the straight time rate of pay.
3. Employees will be instructed as to the proper method of recording a Missed Meal Payment when a meal is not observed.
4. Due to the continuous nature of the work of some classifications, and the inability to provide relief, it may be necessary to continue the practice of providing an on duty paid meal period to certain classifications listed in Group One identified below. When this occurs, the Company shall pay the employee a Missed Meal Payment on a regular basis when relief cannot operationally be provided.

Back pay

Group One Classifications – Current or former employees who held any of the classifications listed below, on a regular or temporary basis, will receive a Missed Meal Payment for each regular workday spent in any combination of the listed classifications, retroactive to June 1, 2004. Employees in these classifications are assumed to have not had an uninterrupted meal period on most workdays during this time period.

Further, such employees who assumed a vacant watch on an overtime day with an on duty paid meal period, and who did not receive payment for the time taken for the missed meal under Section 104.10 of the Agreement, will also receive the Missed Meal Payment for each such day worked retroactive to June 1, 2004.

Electric Department - Substation and Hydro Operating

- (1610) Division Operator
- (1805) System Operator 1
- (0077) HH System Operator
- (1811) Un. System Operator 1
- (1812) System Operator 1 – Provisional
- (1819) System Operator 1, Helms
- (1803) Grid System Control Operator
- (1609) Division Operator – Provisional
- (2129) Critical System Operator
- (1821) System Operator, Helms – Provisional
- (1880) Utility Operator
- (1878) Un. Utility Operator
- (1879) Utility Operator – Provisional
- (1826) Hydro Operator
- (1827) Un Hydro Operator

(1819) Hydro Operator (Helms)
(0070) Station Attendant
(1552) Assistant Operator
(1554) Operator-in-Training
(2127) Critical Assistant Operator
(1809) Lead System Operator

Gas Service Department and System Maintenance

(1755) Service Operator *
(1756) Relief Service Operator *
(0302) HH Relief Service Operator*
(0117) HH Service Operator*
(1760) Work & Resource Dispatcher
(1761) Relief Work & Resource Dispatcher
(1587) Gas System Operator & Reliefs
(1705, 1708, 1707, 1704, 1706, 1709, 1703, 1702) Operator Mechanic, Sr. Operator Mechanic, Lead Operator Mechanic & Reliefs

* only when assigned to a work schedule with a paid meal period

Steam and Nuclear Generation – Operating

(1580) Senior Control Operator
(1585) Control Operator
(1582) Senior Control Operator – DCPD *
(1583) Control Operator – DCPD *

* work days will be reduced by an additional 20% to reflect time spent in training in which meal periods were provided.

Group Two Classifications: Current or former employees who held any of the classifications listed below, on a regular or temporary basis, will receive a Missed Meal Payment for each regular workday in which they were assigned to a work schedule with an on duty meal period. Employees in these classifications are assumed to have observed an uninterrupted meal period on most days, although at times for less than a full 30-minute period.

Further, such employees who worked a shift on an overtime day with an on duty paid meal period, and who did not receive payment for the time taken for the missed meal under Section 104.10 of the Agreement, will also receive the Missed Meal Payment for each such day worked retroactive to June 1, 2004.

Gas Service Department

(2210) Gas Service Representative
(2220) Utility Gas Service Representative
(2230) Reserve Gas Service Representative (PIO)
(0122) HH Gas Service Representative

Electric Transmission & Distribution

(2540) Troublemaker
(0178, 1295) HH Troublemaker
(2550) Utility Troublemaker
(2124) Critical Troublemaker
(2535) Transmission Troublemaker
(2123) Critical Transmission Troublemaker

Fleet Maintenance

- (1255) Equipment Mechanic
- (1252) Utility Equipment Mechanic
- (1256) Un Equipment Mechanic
- (0730) Garage Subforeman
- (0880) Garageman

Wage Rates and Union Dues

1. Back pay will be calculated using the 2007 straight time base pay.
2. Union dues will be collected from the back pay amount at a flat rate of 1% and IBEW, Local 1245 holds the Company and its employees harmless for not collecting the full dues amount.
3. A Company-Union oversight committee will review the calculations to ensure compliance with this agreement.

Meals Review Committee

A Company-Union Meals Review Committee will convene to promptly review requests for back pay adjustments from individuals or work groups who believe the parties' settlement does not appropriately address their individual work situation. This may also include employees who did not receive back pay and believe they should have. The Committee will develop a process and timeline for addressing appeals requests. This Committee will utilize the assistance of a third party neutral arbitrator, mutually acceptable to both parties, to help adjudicate appeals where agreement cannot be reached.

Time Frame

1. Due to the complexity of back pay calculations, final payment amounts and checks will not be completed and distributed until approximately November 2007.
2. Further, revisions to the time card and electronic pay systems to facilitate payment for Missed Meals going forward will take some time to complete. It is expected that these changes will not be fully implemented until September 1, 2007. In the meantime, employees who are entitled to the Missed Meal Payments going forward will have such payments included in the back pay calculations.

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

July 27, 2007

By: _____


Tom Dalzell
Business Manager