

LETTER AGREEMENT





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

December 21, 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:

Company proposes to modify Section 302 of the Physical Agreement to allow for the Working Foreman A and Working Foreman B classifications in General Construction Area 1 to take their company vehicles home at the end of the workday. In an effort to improve efficiencies in ways that produce more value than the costs associated with employees taking the company vehicle home, and to minimize cost and maximize site availability, this voluntary vehicle take home policy will commence upon the execution of this agreement.

Classifications eligible under this agreement are GC Gas Working Foreman A and GC Gas Working Foreman B in Area 1.

The local supervisor may allow employees to volunteer to take their Company vehicles home at the supervisor's discretion.

Use of company vehicles for other than authorized company use or allowing unauthorized persons to drive or ride in company vehicles (except in emergency situations), is a violation of Standard Practice 735.6-1 and USP 1. Violations will result in disciplinary action.

All eligible employees may participate on a voluntary basis. Voluntary agreement to this policy includes an acceptance of all guidelines. Employees who fail to meet their obligations in accordance with these guidelines may be ineligible to participate in the program and may be subject to disciplinary action. Company may disqualify employees from this policy where efficiencies are not gained, guidelines are abused, security is violated, or other business reasons as deemed by the company.

Participating employees shall report to their work areas or job sites by the start time of their scheduled shift. Participating employees shall leave their work areas or route no earlier than the end of their scheduled shift, commuting home on their own time, not to exceed one hour.

Current local procedures will apply, e.g., turning in paperwork, calling in, fueling vehicles, servicing vehicles, etc.

If a participating employee is scheduled to be off for more than two days, the vehicle may be returned to the yard at the end of the last shift worked or at a time agreed to by the local supervisor. Depending on vehicle availability or other business reasons, vehicles may be required to be in the yard any time the participating employee is scheduled to be off for one full day. All commutes outside of this agreement will be the responsibility of the employee.

The security compliance with local parking requirements of the assigned vehicle will be the employee's responsibility. Vehicles will be parked at the employee's residence, or other agreed to secure area. When a vehicle is taken home, any company property/tools are to be secured and stored in the employee's home, locked bin, etc.

This policy has no impact on local overtime agreements. All 308 and local letter agreements pertaining to POT and EOT shall be followed regardless of this policy.

This agreement supersedes any local vehicle take home letters of agreement that currently exist for the Working Foreman A and Working Foreman B classification in GC Gas for Area 1.

Either the Company or Union may cancel this agreement by providing 30 days advance written notice.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

Bv: 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

January 9 , 20078

By: Tom Dalzell **Business Manag**