



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 10-05-PGE



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS AND HUMAN RESOURCES 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

January 20, 2010

Mr. Tom Dalzell, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

The parties recently met regarding process changes and resulting need for clerical reductions in the Customer Billing Department. Due to changes in work processes and automation of work that resulted in the reduction and elimination of work in the Non-Energy Billing, Gas Billing and Special Projects groups (previously defined as Major Billing and Miscellaneous Billing Sections), the Company will be making the following reductions:

Non-Energy Billing Unit

- 1 - Sr. Accounting Clerk II
- 2 - Accounting Clerks

Gas Billing Solutions

- 1 - Sr. Accounting Clerk II

Special Projects

Reduce by 1

Company proposes, pursuant to Section 19.12 of the Clerical Agreement, the following to address the needed reduction.

Employees in the Customer Billing groups, Accounting Line of Progression, will be given the opportunity to request voluntary severance by indicating such on their Employee Election Form. The Company will accept up to five volunteers. Employees will be given seven calendar days from notification to complete/update their form. The Company will grant severance by seniority, to the employees in these sections, until the needed number of reductions has been met. Such employees shall be notified of a targeted lay-off date effective March 1, 2010. Actual date of lay-off is at Company's discretion.

Any vacancies created by the voluntary layoffs of employees performing the eliminated work will be captured thereby reducing the number of employees affected. Any vacancy needing to be filled will be filled in accordance with Title 18 and will be subject to the Position Evaluation Questionnaire (PEQ) process prior to filling. These steps will begin with any Sr. Accounting Clerk II vacancies and continue with vacancies lower in the line of progression.

Mr. Tom Dalzell

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January 20, 2010
L/A 10-05-PGE

In the event the needed reductions of employees are not accomplished with the use of the voluntary severance offering, the Company may implement the provisions of Title 19. The parties will reconvene to discuss next steps including review of any Hiring Hall assignments.

These provisions have been discussed with Assistant Business Managers Ken Ball and Dorothy Fortier.

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

By: _____


Tom Dalzell
Business Manager

January 21, 2010