



**Pacific Gas and
Electric Company**

**LETTER AGREEMENT
NO. 10-08-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

February 17, 2010

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:

The parties recently met regarding the staffing of the consolidated Gas Control Center in San Francisco and the displacement of employees at the current Brentwood Gas Control Center which is expected to occur by April 2010.

The parties have a mutual interest in ensuring a smooth transition to the new Gas Control Center and minimizing the disruption and uncertainty for employees. The Company proposes the following, in accordance with Section 206.12 of the Physical Labor Agreement and Letter Agreement 99-72:

Step 1 – Voluntary Options

Impacted employees are those Gas System Operators (GSO), PIO Gas System Operator – M&C, and Gas System Operators in Training (GSO-IT) located at the Brentwood Gas Control Center. Impacted employees will be provided with Section 206.1 notification allowing for accelerated bidding and transfer rights in accordance with Section 206.9. Concurrent with their Section 206.1 notices, employees will be given an option of electing to fill a vacancy (either GSO or GSO-IT based on current classification) at the San Francisco Gas Control Center or voluntary severance. If there are more volunteers than needed to go to the SFGCC, selection will be based on seniority. If there are more volunteers than spots available, the Company will take employees in the GSO classification first, followed by GSO-OIT's. Employees will have 7 calendar days to return their option form list and will be advised that their elections will be considered binding.

Step 2 – Title 206

Impacted employees who are not placed in Step 1 will be provided with their Section 206.2 Notice and will be given their Title 206 assignment in accordance with Title 206 and Letter Agreement 99-72.

Voluntary Severance

The Company will cap the number of voluntary severances at a maximum of three employees.

Commitment Allowance

An employee who voluntarily accepts a position at the new San Francisco Gas Control Center through the voluntary process (Step 1) will be eligible for a Special Commitment Allowance of \$15,000. This allowance is in addition to the Moving Allowance the employee may be entitled to under Section 206.8.

Eligible employees may elect the Commitment Allowance by signing an agreement committing to report to the San Francisco Gas Control Center and remaining there for 24 months. Employees electing this allowance will not have their bids or transfers considered, except to a higher classification at the San Francisco Gas Control Center headquarters, until they report and complete their 24 month commitment. The initial \$10,000 of the Commitment Allowance will be paid within 30 days of the employee reporting to the San Francisco Gas Control Center and signing a Payback Agreement. The final \$5,000 of the Commitment Allowance will be dispersed after the employee has completed his/her 24 month commitment. The Commitment Allowance is only available to those employees who accept a San Francisco Gas Control Center position during Step 1 and will not be available after the

consideration period has ended. This Commitment Allowance does not set precedent for future consolidations. It is intended to address the unique circumstances surrounding this consolidation.

Section 206.8 Moving Allowance

Employees who are eligible for the Section 206.8 Moving Allowance as a result of reporting to San Francisco will be entitled to an enhanced amount of \$5,000. Employees will be required to relocate to a city closer to San Francisco to be eligible for the enhanced allowance. Employees will receive the allowance as a flat amount rather than as reimbursement for covered expenses. Employees whose current residences are in cities beyond a commutable distance, but who currently have an apartment within a commutable distance to the Brentwood Gas Control Center are eligible for the enhanced Section 206.8 Moving Allowance if they get an apartment in a different city than their current apartment, in a city closer to San Francisco, and in a city within a commutable distance to San Francisco.

Dress Code

The San Francisco Gas Control Center is open to the public and at times is subject to tours. As a result, the Company will institute a business casual dress code at the San Francisco Gas Control Center, Monday - Friday 8:00 a.m. - 6 p.m. Employees are encouraged to dress professionally during night and weekend shifts but there is no dress policy for those times.

Work Schedule

The Company is currently finalizing the schedule for the San Francisco Gas Control Center. It is anticipated that the schedule will be substantially similar to the schedule at the Brentwood Control Center. PG&E expects to submit a schedule proposal to the Union once the initial staffing is established and prior to employees reporting to the new facility.

Ad Hoc Discussions

At the Union's request, the Company will meet in an ad hoc forum to discuss job duties and other non-displacement related issues.

Unanticipated Changes

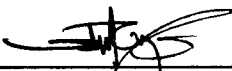
Should unforeseen circumstances occur to cause the partial or total cancellation of the Gas Control Center consolidation the assignments will be cancelled and the parties will meet to address any impacts to employees as a result of the change. Employees who have not reported to their assignments by any cancellation date will have the option to reconsider their commitments.

This proposal has been discussed with Assistant Business Manager Ken Ball and Business Representative John Mendoza.

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

2/17/10, 2010

By: 
Tom Dalzell
Business Manager