



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. R2-05-67-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL 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 A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

March 6, 2006

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

Dear Mr. Zimmerman:

As the Company and Union have discussed, the Company in the near future will be operating new generation facilities that have different technologies and operating characteristics than the power plants previously owned by the Company.

The change in technology and requirements for competitiveness with other generators require that the Company and Union find new and flexible approaches to the work at the plant. As such, the Company proposes the attached Exhibit to the Physical Agreement.

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

April 18, 2006


By: 
Perry Zimmerman
Business Manager

Exhibit XVIII

Conditions Applicable to New Generation Power Facilities

The parties recognize that the Company in the near future will be operating new generation facilities that have different technologies and operating characteristics than the traditional power plants previously owned and operated by the Company. These plants will require special universal employee commitments to operating and maintaining the plants.

To that end, the parties have agreed to apply the following conditions to employees who are assigned to these facilities. Where these conditions conflict with provisions in the current Physical Labor Agreement, these provisions will be applicable. All other provisions in the current Physical Labor Agreement not addressed in this Exhibit will be applicable.

<u>Job Classifications</u>	<u>Job Level</u>	<u>Pay Rate</u>
Power Plant Technician	Assistant Power Plant Tech (entry level)	TBD
	Power Plant Tech I	TBD
	Power Plant Tech II	TBD
	Power Plant Tech III	TBD
	Power Plant Tech IV	TBD

- (a) Parties will develop skill blocks and their application for the job classifications prior to start up.
- (b) The provisions of Title 206 shall not be applicable unless an employee is subject to layoff for lack of work, then the employee's option will be limited to vacant beginning level positions that the employee is qualified to fill in the Company. The employee shall be entitled to Section 206.8 provisions.
- (c) Employees who are subject to layoff for lack of work shall be entitled to severance as defined in Exhibit XIV and will have re-employment rights under Section 206.13 to any beginning level classification covered under the Physical Agreement.
- (d) The Company may determine the classification subject to layoff provided that the parties have met and explored other alternatives.

WORK HOURS

- (a) Non-Shift employee's basic workweek shall be Monday through Friday consisting of eight (8) hours with a half hour unpaid lunch break and shall commence no earlier than 6:00 a.m. and no later than 9:00 a.m. The regular start times shall be determined after start-up, by mutual agreement. Based on operational needs the parties may agree to alternative work schedules that best supports the needs of the Company and the employee.
- (b) Shift employees work scheduled shifts on a rotating twenty-four (24) hour day shift seven days a week. The workweek shall be regularly scheduled and may start any day of the week and any hour of the day. A regular schedule shall be determined after start up, by mutual agreement.
- (c) The Company determines the basic workweek, work hours, and staffing of employees prior to start up, consistent with their need to properly operate and maintain the plant.

- (d) It is understood that Shift employees by nature of the work cannot leave their work stations in order to take a meal break but shall be permitted to eat their meals during work hours. Overtime meals shall be consistent with Title 104 of the Physical Labor Agreement.
- (e) Company shall provide forty-eight (48) hours notice of any change in work schedule and cannot be done more than once a week. Such change shall not result in the payment of overtime, provided that the employee does not work more than eight (8) hours on a workday or more than 40 hours in a workweek.

INTER-PLANT TRANSFERS

- (a) Employees may be temporarily assigned to other plants covered under this Exhibit for the purposes of operational and/or maintenance needs or the duration of an outage. The expenses shall be covered by Title 201. The parties agree that alternative arrangements can be worked out between the employee and the supervisor and the Local Business Representative.
- (b) Employees can submit written requests for transfers to other plants covered under this Exhibit to regular or part-time positions. The Company shall determine the granting of transfers or hire by other means.

CONTRACTING

- (a) The Company retains the right to determine methods, techniques, and types of work or services performed, not performed, or services to be contracted or subcontracted by any plant covered by this Exhibit. The provisions of Exhibit XVI shall not apply as contracting performed during maintenance outages was specifically exempted from the provisions of Exhibit XVI and any contracting to be performed during non-outage periods is not expected to be within the job duties that are routinely performed by existing personnel at the facility.
- (b) The management right to contract or subcontract work or services shall not be intended to reduce the size of the bargaining unit, once established.

OVERTIME

- (a) All overtime, including pre-arranged and emergency overtime, shall be consistent with Title 208 of the Physical Labor Agreement.
- (b) In lieu of the provisions of Section 208.16, the Company shall distribute overtime as reasonably as possible.
- (c) By the nature of this Exhibit the Company may distribute and assign overtime to employees based on job qualifications. Additionally, the Company can require employees to come to work for emergency overtime based on qualifications. The parties will meet, if necessary, to work out emergency response arrangements that will suit the needs of the Company and the employee.
- (d) Extension of the work day overtime assignments or lunch overtime shall be at the discretion of the Company.

ENABLING CLAUSE

By written agreement between Company and Union, other provisions may be substituted for the provisions of this Exhibit.