



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 06-29-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

May 23, 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:

The Company proposes to waive (with restrictions) the residency requirements contained in Section 3.5 of the Physical Agreement for Jim Groseclos, Troubleman, Taft.

Troublemembers headquartered in Wasco and Taft are scheduled to be relocated to the Bakersfield Service Center under Section 206.17, effective June 1, 2006 and are eligible to participate in a Company proposed Vehicle Take Home Policy. Mr. Groseclos is the only Troubleman out of six (6) who would be required to move to meet the requirements in Section 3.5 of the Physical Agreement. Therefore, the Company does not wish to require Mr. Groseclos to meet the residency requirements for the Bakersfield Service Center. This proposal is based on Mr. Groseclos' current residence of Wasco which is 32 miles away from the Bakersfield headquarters with an approximate commute time of 35 minutes. If agreed to, he will be expected to maintain his current residence or one equivalent or closer proximity to the Bakersfield Service Center headquarters.


This proposal has been discussed with IBEW Business Representative Bob Dean.

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

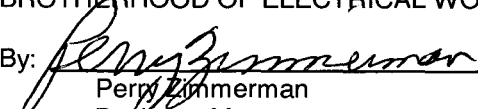
By: _____


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

By: _____


Perry Zimmerman
Business Manager

June 5, 2006