



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 07-11-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 RAYBURN
DIRECTOR AND CHIEF NEGOTIATOR

TOM DALZELL
BUSINESS MANAGER

February 12, 2007

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

Dear Mr. Dalzell:

As part of the recent local office front counter closure settlement, which is subject to Union ratification, nine (9) front counter offices will be closed within six months of the Commission's approval of the settlement. These nine offices, which were selected based on the proximity of alternative PG&E offices nearby and/or low transaction volumes, are Alameda, Newman, Orland, Willits, Corcoran, Willow Creek, Petaluma, Half Moon Bay and Geyserville.

In accordance with Section 19.12, the Company proposes the following enhanced choices to address the impacts to the affected employees at these headquarters.

(1) Accelerated Bidding Rights – Section 19.1

Under the provisions of Letter Agreement 06-18, impacted employees will immediately be provided with Section 19.1 written notice for the sole purpose of providing employees with accelerated bidding and transfer rights. These rights will allow the employees the opportunity to pursue accelerated placement prior to the actual office closures.

(2) Relocation due to Office Closure – Section 19.16

The Company will relocate any remaining employees to nearby headquarters under the provisions of Section 19.16. In doing so, the Company will provide opportunities for all eight employees by offering placement into vacancies. These vacancies will be in the same classification as the eight employees and will be located at headquarters within each employee's Demotion Area. Additionally, as provided for in Section 19.16, employees will have the choice to fill either the vacancy provided or any other vacancy available in their classification and Demotion Area.

(3) Transformation Benefits

In addition to the options afforded under Section 19.16, impacted employees will be allowed to elect voluntary severance including the option for transitional or educational leave. Impacted employees will also be entitled to the transformation benefits of Letter Agreement 05-66 including wage protection, enhanced relocation allowance, and accelerated bidding rights to return to their former status. These options are in keeping with the commitments made in the local office front counter closure settlement.

This letter agreement is contingent upon the settlement receiving all necessary approvals and ratification. Employees will be provided with their options once the settlement has been ratified. Report dates and severance dates will be determined by the Company and are expected to coincide with the actual closure of the employee's office.

In accordance with the above, Company also proposes canceling Letter Agreement R1-05-36. However, Company proposes maintaining the ability to assign Hiring Hall employees' in Local Offices to work at other headquarters within a commutable distance for a period not to exceed 6 months during the re-staffing of the Local Offices. The provisions of Section 10.8 will apply. Under the Special Project provision of Letter Agreement R1-04-12, Hiring Hall employees in the Local Offices may be retained until vacancies are filled.

Company will review all Hiring Hall in Local Offices to identify actual vacancies (excluding those filling in behind temporarily absent employees) and will make those vacancies within the impacted employees' Demotion Area available as Section 19.16 options. Company will proceed in filling any remaining vacancies in an expeditious manner.

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

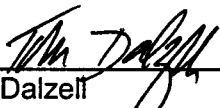
By: 

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

14 FEB, 2007

By: 

Tom Dalzell
Business Manager

Attachment
Provisions of Letter Agreement 07-11

As part of the recent local office front counter closure settlement, which is subject to Union ratification, nine (9) front counter offices will be closed within six months of the Commission's approval of the settlement. These nine offices, which were selected based on the proximity of alternative PG&E offices nearby and/or low transaction volumes, are Alameda, Newman, Orland, Willits, Corcoran, Willow Creek, Petaluma, Half Moon Bay and Geyserville.

In accordance with Section 19.12, the Company proposes the following enhanced choices to address the impacts to the affected employees at these headquarters.

(1) Accelerated Bidding Rights – Section 19.1

Under the provisions of Letter Agreement 07-10, impacted employees will immediately be provided with Section 19.1 written notice for the sole purpose of providing employees with accelerated bidding and transfer rights. These rights will allow the employees the opportunity to pursue accelerated placement prior to the actual office closures.

Current vacancies available for those with "A" Bid Rights:

Bakersfield (Demotion Unit 5 Area 22)	San Luis Obispo (Demotion Unit 6 Area 28)
Mariposa (Demotion Unit 5 Area 23)	Salinas (Demotion Unit 6 Area 27)
	Stockton (Demotion Unit 5 Area 20)

(2) Relocation due to Office Closure – Section 19.16

The Company will relocate any remaining employees to nearby headquarters under the provisions of Section 19.16. In doing so, the Company will provide opportunities for all eight employees by offering placement into vacancies. These vacancies will be in the same classification as the eight employees and will be located at headquarters within each employee's Demotion Area. Additionally, as provided for in Section 19.16, employees will have the choice to fill either the vacancy provided or any other vacancy available in their classification and Demotion Area.

Current vacancies within the demotion areas of the impacted employees include:

Chico (Demotion Unit 4 Area 15)	San Carlos (Demotion Unit 2 Area 5)
Eureka (Demotion Unit 3 Area 12)	Santa Rosa (Demotion Unit 3 Area 9)
Fresno (Demotion Unit 5 Area 21)	Turlock (Demotion Unit 5 Area 19)
Oakland (Demotion Unit 1 Area 2)	

Impacted office demotion area and unit:

Alameda (Demotion Unit 1 Area2)	Willow Creek (Demotion Unit 3 Area 12)
Half Moon Bay (Demotion Unit 2 Area 5)	Orland (Demotion Unit 4 Area 15)
Geyserville (Demotion Unit 3 Area 9)	Newman (Demotion Unit 5 Area 19)
Petaluma (Demotion Unit 3 Area 9)	Corcoran (Demotion Unit 5 Area 21)
Willits (Demotion Unit 3 Area 10)	

(3) Transformation Benefits

In addition to the options afforded under Section 19.16, impacted employees will be allowed to elect voluntary severance including the option for transitional or educational leave. Impacted employees will also be entitled to the transformation benefits of Letter Agreement 05-66 including wage protection, enhanced relocation allowance, and accelerated bidding rights to return to their former status. These options are in keeping with the commitments made in the local office front counter closure settlement.

The terms of the letter agreement is contingent upon the settlement receiving all necessary approvals and ratification. Employees will be provided with their specific options once the settlement has been ratified. Report dates and severance dates will be determined by the Company and are expected to coincide with the actual closure of the employee's office.