PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS DEPARTMENT
MAIL CODE N2Z
P. O. BOX 770000
SAN FRANCISCO, CA 94177
(415) 973-4310

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

May 30, 2007

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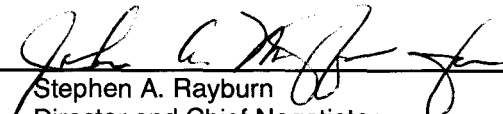P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Dalzell:

The parties have discussed the voluntary severance offering outlined in Letter Agreement 07-10, and the Union's interest in allowing an employee who has volunteered for severance to change their severance election given certain criteria are met. The employee must notify the Company by submitting a request indicating they are suffering a hardship or experiencing a change of status (i.e., medical emergency, sudden illness, divorce, death) in order to be given consideration. The written request should include pertinent information to substantiate the request and should be directed to the HumanResources@pge.com e-mail address. The Company will review requests on a case-by-case basis and make a determination on whether the change can be accommodated.

Concurrent with the above, the IBEW proposes that Company grant Clara Scott, Operating Clerk-Steno, who elected to accept the voluntary severance offering, the ability to change her severance option from Transitional Leave of Absence to a Lump Sum payment.

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

_____6 - 8_____, 2007   By: _____
Tom Dalzell
Business Manager