



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

January 14, 2008

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 Company proposes to amend the provisions of Section 111.15 of the Physical Agreement and Section 8.16 of the Clerical Labor Agreement in order to allow employees to voluntarily sell their vacation and transfer the proceeds to Mrs. Shallene Chavez, the spouse of Felipe Chavez, a PG&E Lineman who died on January 11, 2008 while on the job. These proceeds will relieve personal financial difficulties for Mrs. Chavez which may occur as a result of her husband's death.

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

<u>January 14</u>, 2008

By: Tom Dalzell Business Manage