



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 09-10-PGE

IBEW



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

February 20, 2009

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 you know, a Company-Union Committee was established to review the labor agreements to ensure compliance with California state labor laws in light of recent court decisions. The Committee was to address back pay related to the court decisions and to propose changes to the labor agreements, if appropriate. The Committee determined that although meal practices were consistent with state labor laws and the parties' labor agreements and interpretations thereto when executed, back pay should be paid to certain classifications based on recent court decisions regarding meal periods.

Following in-depth and extensive discussion and the collection and analysis of thousands of existing payroll records by an outside economist and statistician, the Committee agreed to provide back pay to bargaining unit members who may have worked through their lunch period during a specified time period, but not received a missed meal payment. The parties agreed that the methodology devised and applied by the outside expert to determine back pay for each employee is reasonable and fair under the circumstances. The parties also agreed to a process for the review of special requests in regards to missed meal payments.

The Committee also recommended guidelines for moving forward to ensure ongoing compliance with labor agreement provisions and recent court decisions regarding California wage and hour law. Finally, the Committee agreed to review the recommended guidelines should the law or its interpretation change in the future.

Summary of California Law and Meal Guidelines Moving Forward

General Requirement: The Company has an affirmative obligation to provide a 30-minute uninterrupted meal period. Likewise, employees are responsible for observing meal periods as scheduled and for promptly notifying supervision if business conditions necessitate working through a meal period during regular work hours.

Employees who miss a meal period are obligated to report all missed meals on their time card to ensure they are appropriately compensated. The Company communicated this obligation to employees in September 2007.

Summary of California Law

1. An employee must be provided an uninterrupted meal period of at least one-half hour per day that constitutes more than 5 hours of work, unless six hours will complete the day.
2. The meal period must be started 5 hours after the start of work. For example, if the work period starts at 7 a.m., the meal period should begin by 12 noon.
3. A second meal period is required if an employee works more than 10 hours. The second meal period may be waived by mutual consent of the supervisor and employee, provided that the employee observed the first meal period and the total hours worked is not expected to exceed 12.
4. If an employee does not observe a meal period as described above, the employee is entitled to an additional one hour pay at the regular straight time rate of pay (known as the Missed Meal Payment). There is a maximum payout of one Missed Meal Payment per day (24-hour period from the start of work), regardless as to the number of meals that were missed.

Application at PG&E

1. An employee who does not observe a 30-minute, uninterrupted meal period in the first five hours of work on a regular or pre-arranged overtime workday due to operating issues that prevent a lunch break, shall be entitled to a Missed Meal Payment.
2. An employee who does not observe a 30-minute, uninterrupted meal period on an emergency overtime day by receiving pay at the double time rate for an in-lieu meal payment as provided in Section 104.10 of the Physical Agreement and Section 16.2 of the Clerical Agreement will not receive the Missed Meal Payment. This is because the one half hour in-lieu meal payment at the double time rate is equal to the Missed Meal Payment or one hour at the straight time rate of pay.
3. Employees must record their right to a Missed Meal Payment on their timecard.

Back Pay

Group Three – Current or former bargaining unit employees who worked through their lunch and missed a meal between June 1, 2004 and August 31, 2007, but did not receive a missed meal payment. Group Three employees represent those classifications who are entitled to an unpaid meal period. Employees will be paid based on an analysis developed by the economist, and the actual missed meal history for their work group. Employees will be paid the estimated average number of missed meals for their work group at their 2007 rate of pay, regardless of whether the missed meal occurred prior to 2007. The payment covers the average actual missed meals by classification and the number of work weeks actually worked by the employee over the designated time period.

Classifications – The classifications identified below are covered by this Letter Agreement. Classifications that fall within the definition of Group Three that are not included in the following list may be addressed in a future Letter of Agreement between the parties.

Apprentice Lineman
Electric Crew Foreman
Electric T&D Assistant
Groundman
Lineman and Unassigned Lineman
Utility Lineman
Electric Crew Foreman-Transmission
Transmission Lineman and Unassigned Transmission Lineman
Troubleman
Apprentice Electrical Machinist
Apprentice Electrical Technician
Apprentice Welder
Apprentice Electrician
Electric Maintenance Crew Leader
Electric Maintenance Crew Leader (Helms)
Electrical Machinist and Unassigned Electrical Machinist
Electrical Machinist (Helms)
Electrical Machinist (Helms) Provisional

Reserve Gas Service Representative
Service Mechanic
Gas Service Representative
Utility Gas Service Representative-Jackson
Apprentice Lineman
Lineman
Miscellaneous Equipment Operator
Subforeman A and Subforeman B
Fieldperson
Night Fieldperson - SF
Apprentice Fitter, Fitter and Unassigned Fitter
Equipment Operator
Fitter-ARC
Gas Crew Leader (non-welding and welding)
Heavy Equipment Operator
Heavy Truck Driver
Utility Worker (T200)
Working Foreman A, B & C
Backhoe Operator
Misc. Equipment Operator
Fieldman
Utility Worker (T300)
Welder and Apprentice Welder
Street Fitter
DCPP Electrician
DCPP Unassigned Electrician
DCPP Traveling Electrician and Unassigned Traveling Electrician
DCPP Certified Welder, and Unassigned Certified Welder
DCPP Traveling Certified Welder and Unassigned Traveling Certified Welder
DCPP Machinist and Unassigned Machinist
DCPP Traveling Machinist and Unassigned Traveling Machinist
DCPP Traveling Mechanic
DCPP Traveling Mechanic-Rigger and Unassigned Traveling Mechanic Rigger

Wage Rates and Union Dues:

1. Back pay will be calculated using the 2007 straight time base pay.
2. Union dues will be collected from the back pay amount at a flat rate of 1% and IBEW, Local 1245, holds the Company and its employees harmless for not collecting the full dues amount.
3. A Company-Union oversight committee will review the calculations to ensure compliance with this agreement.

Meals Review Committee & Appeal Process

Employees will receive a release in the mail which details the amount of their missed meal payment. Employees have 30 days to appeal the amount of their missed meal payment by sending an e-mail to the HR Mailbox designated on the cover letter accompanying their release; however, by doing so, they forfeit the amount of the missed meal payment identified in their release. The Company will provide the employee with a copy of his/her time records for the employee to review during non business hours. The employee will then submit a request for a revised missed meal payment amount based on his/her review of the payroll records. The Company will verify the amount of the request submitted by the employee. If the amount is less than the amount originally offered the employee in the release, the employee will receive the lesser amount. If a review of the records confirms the employee's calculation is greater than the amount offered in the release, the employee will receive the higher amount. A Company-Union Meals Review Committee will convene to review requests that are not able to be verified through a payroll record audit or other unusual cases.

Mr. Tom Dalzell

-4-

February 20, 2009
L/A 09-10-PGE

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

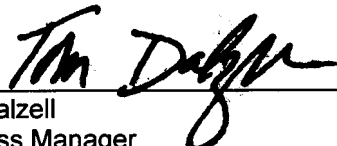
By: 

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

February 26, 2009

By: 

Tom Dalzell
Business Manager