

NO. 10-40-PGE



PACIFIC GAS AND ELECTRIC COMPANY LABOR RELATIONS AND HUMAN RESOURCES DEPARTMENT MAIL CODE N2Z P. O. BOX 770000 SAN FRANCISCO, CALIFORNIA 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 A. RAYBURN, DIRECTOR AND CHIEF NEGOTIATOR

TOM DALZELL. BUSINESS MANAGER

September 28, 2010

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:

In an effort to support the health and wellness of employees, the Company proposes to offer a new subsidy and discount program for gym memberships, lifestyle coaching and weight loss to employees through GlobalFit. This new discount program will become available to employees October 15, 2010 Below is an overview of GlobalFit services, which may be subject to change.

GlobalFit's "healthy living package" includes:

- Employees receive a \$50 "Any Use Subsidy" which can be used to purchase any service or product provided by GlobalFit with the exception of gym equipment.
- Discounted access to more than 10,000 fitness centers nationwide including 24 Hour Fitness.
 Club One, and Curves.
- Employees will have an option to select a family gym discount.
- "Virtual Gym" for those who want to exercise but who are uncomfortable in a fitness center environment.
- On-line exercise videos, on-line community and tools to track progress.
- Lifestyle coaching services:
 - Quit smoking
 - Lose weight
 - Reduce stress
 - Start walking
 - Eat better
 - Chronic care
 - Healthy babies
- Discount on Nutrisystem weight-loss program.
 - o Restaurant-quality, fresh-frozen, portion-controlled meals home delivered.
 - o Daily meal planner and Dining Out Guide.
- "Virtual Nutrition Coach" for those who want to eat healthier or lose weight.
 - Customized planner with balanced and nutritious meals using member-selected foods.

GlobalFit will solicit all gyms in areas where national chains are not located as well as specific gyms requested by employees.

In accordance with Letter Agreement 08-20, the Company will also be offering a Smoking/Tobacco Cessation program beginning November 1, 2010. The Company proposes that in addition to making this program available to all employees per Letter Agreement 08-20, that this program will also be available to spouses, registered domestic partners and dependents who are enrolled in PG&E medical plans. Participation will be free of charge to encourage healthy families.

The offering of these free programs is without precedent. Either party may cancel this agreement with 30 days written notice.

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 Pacific Gas and Electric Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

Rv.

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

9-30-, 2010

Rv.

Tom Dalzell