



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. R1-08-26-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

October 15, 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:

Company and Union recognize the importance of recruitment and training to replace workers expected to retire over the coming years. Both parties have embarked upon a number of key efforts to address the looming labor shortage and are continuing to explore additional methods of sourcing.

The Company's PowerPathway™ Program, put in place in support of the labor shortage, trains candidates in skills necessary to compete for placement into entry level vacancies within our service territory. Given the uncertainty of regular workforce needs, the parties have met to discuss providing alternate methods of employment for successful graduates of this program to secure utility-related work within PG&E. The discussions included options for work with construction contractors, hiring hall, summer programs, etc. In response, Company proposes modifying Item C. of the Hiring Hall agreement, Letter of Agreement R1-04-12 to give credit to the training these candidates have completed which provides them the knowledge and skills to be successful in entry-level physical positions. All other conditions in the Hiring Hall Agreement remain in effect.

C. PRIORITY OF REFERRALS AND PAY

Applicants for temporary employment at Pacific Gas and Electric Company shall be prioritized in the following groups and referred in the following order:

1. Prior Company employees and individuals that held the classification elsewhere, and have the required experience, and meet the Company's agreed to qualifications will be paid the top of the wage rate.
2. Prior Hiring Hall employees™ that held the classification for 12 cumulative months will be paid the top of the wage rate.
3. Applicable to entry-level physical classifications - Successful graduates of the PowerPathway™ Program or individuals who have successfully completed a pre-apprentice training program recognized by the Company and meet PG&E's agreed to entry qualifications, will be paid the inexperienced wage rate.
4. Inexperienced individuals that meet PG&E's agreed to entry qualifications will be paid the inexperienced wage rate.

Mr. Tom Dalzell

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October 15, 2008
L/A R1-08-26-PGE

Either party may cancel this agreement by providing the other 90 days' written notice of cancellation.

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
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

Dec. 3 — , 2008

By: Salim A. Gammali For TD.
Tom Dalzell
Business Manager