



LETTER AGREEMENT NO. 06-07-PGE



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(925) 974-4104

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

PERRY ZIMMERMAN,
BUSINESS MANAGER

February 6, 2006

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

Dear Mr. Zimmerman:

Company and Union have met on a number of occasions to discuss employee issues related to the AMI project. Based on those discussions, Company proposes the following:

1. Use of Hiring Hall

- In addition to filling all future Meter Reader vacancies with Hiring Hall Meter Readers in accordance with Letter Agreement 05-26, Credit Representative and Operating Clerk or Utility Clerk vacancies where primary duties include support for Meter Reading will be filled with Hiring Hall classifications.
- Hiring Hall employees who fill these classifications will remain in place during the implementation of Title 206 and Title 19 for regular Meter Readers, Credit Representatives and Operating Clerk or Utility Clerk and will be released as the individual offices are closed.
- Hiring Hall Meter Readers may be assigned temporarily to other headquarters within a commutable distance at the discretion of local management. The provisions of Section 202.23 shall apply.
- A HH Meter Reader who has successfully completed a work assignment in a specific headquarters may be offered existing HH Meter Reader vacancies prior to being released back to the Hiring Hall. If accepted, they will be transferred to the new headquarters.

2. Title 300 Installer Classification

- Letter Agreement 05-27 allows Meter Readers the opportunity to volunteer for a Title 300 Installer position. Sr. Meter Readers will also be allowed the opportunity to volunteer for a Title 300 Installer position. Attached are the proposed wage rate, department and job definition for this new classification.
- Volunteers for the Installer classification may be required to travel throughout the service territory during the installation process.
- Upon execution of this agreement, Company will develop communications and a process for soliciting volunteers.
- Company will cap the number of Installer volunteers at 100.
- The staffing of Installers will occur in phases as the deployment schedule is implemented. The individual volunteers will be released from their Meter Reader job by their supervisor as they are needed as Installers.
- Once the Installer job is completed, employees, at their option, may revert back to their Meter Reader base classification to exercise their Title 206 rights. Whether they remain as an Installer or revert back to Meter Reader, employees will be covered by the provisions of Letter Agreement 05-66.

3. Retrofitting of Meters

- Due to the volume, capacity and scheduling needs of the project, Company will contract out retrofit work of electric meters.
- For purposes of Exhibit XVI, the hours worked by contractors will not count toward the Electric Meter Department provided that Company does not involuntarily lay off electric meter employees at the Fremont Meter Shop during the term of the AMI project.
- Union does not agree that the current wage rate of \$13.50/hour paid by contractor Wellington for the retrofit work is considered a prevailing wage for purposes of Exhibit XVI, but agrees to waive the prevailing wage requirements for purposes of this letter agreement.

4. Installation of Meters

- The installation of transformer-rated polyphase meters will be performed by the existing PG&E workforce.
- All single-phase meter installation and non-transformer-rated polyphase meter installation will be performed by a contractor. The parties agree to waive the provisions of Exhibit XVI for this work.
- All gas module installations will be performed by the contractor or the Title 300 Installer position. Gas meter changes and any associated service interruption work will be performed by Gas Service Representatives.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: _____



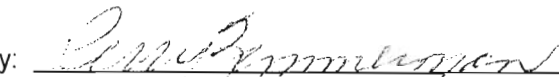
Stephen A. Rayburn
Director and Chief Negotiator

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

March 3, 2006

By: _____



Perry Zimmerman
Business Manager

Classification**1043 GC Installer (Beginning Classification)**

A General Construction employee covered by Title 300 of the Physical Agreement who, as part of a contractor crew or PG&E crew, will be assigned the installation of electric meters and the installation of modules on gas meters throughout the Company's system. This is a temporary traveling classification and will be cancelled at the end of the AMI project. Employees filling this position will be Meter Readers whose jobs will be eliminated by AMI and who have volunteered to do this work.

Qualifications

Employees volunteering to enter the Installer classification shall pass the Physical Test Battery.

Wages

2006 Wage Rate: \$28.20

Department

Gas Construction

Bidding

Installers will maintain the same 205.7 bidding rights to Gas Service Representative as is they were still Meter Readers in the Gas Service Line of Progression. The Installers will only be allowed to bid to higher classifications for the duration of the project.