



LETTER AGREEMENT NO. 06-23-PGE



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
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INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
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VACAVILLE, CALIFORNIA 95696
(707) 452-2700

STEPHEN RAYBURN
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN
BUSINESS MANAGER

April 28, 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:

The parties recently met regarding the staffing of the consolidated dispatch operations in Concord and Fresno. In accordance with Section 206.12, the Company proposes the following process:

Step One (Posting New Jobs) – The Company will post the Work and Resource Dispatcher, Relief Work and Resource Dispatcher, and Work and Resource Dispatcher-in-Training classifications at Concord and Fresno in accordance with Section 205.4 (h).

Step Two (Section 206.1 Notice) – Impacted employees (all Service Operators and Relief Service Operators) will be provided with Section 206.1 notification providing for accelerated bidding and transfer rights in accordance with Section 206.9.

Step Three (Voluntary Options) – Prior to making Title 206 assignments, impacted employees will be provided a list of dispatch vacancies at Concord and Fresno. Impacted employees will be able to prioritize their interest in these vacancies, Gas Service Representative (GSR) vacancies, layoff with severance, LA 05-66 transitional Leave of Absence (including any subsequent modifications to this provision), or to exercise their Title 206 rights. Employees will have seven calendar days to return their prioritization list and will be advised that their elections will be considered binding.

Company will make assignments from the prioritized lists based on seniority and negotiated qualifications. Employees placed into vacancies or electing leave or layoff under this process will be removed from the impacted employee list (A List) and not be subject to the Title 206 assignment process in Step Five. Employees will be placed “on paper” in their new assignment for purposes of Title 206.

Employees will continue to have accelerated bidding and transfer rights in accordance with Section 206.9 based on their current classification and headquarters until their new assignment is effected. If an employee is awarded and reports to a new job assignment, their assignment in Step Three is voided. As a point of clarification, the Gas Service Reverse Lines of Progression limits the displacement or placement under Step Three into the GSR classification to those employees who previously held the GSR classification. Once removed from the Service Operator classification, however, Section 206.9 accelerated bidding rights to GSR are not limited to those who previously held the GSR classification.

Step Four (Section 206.2 Notice) - Following the assignments in Step Three, the remaining impacted employees will be provided with Section 206.2 notification. Employees will be advised of the specific date that the Title 206 job assignment process will begin. The process will begin no less than 14 calendar days following the notice and employees will have until two calendar days prior to the start of the 206 assignment process to update their Employee Election Forms.

Gas Service Representatives, Utility Gas Service Representatives, Reserve Gas Service Representatives, and CIP Inspectors will be advised that they may be impacted by this displacement and given the opportunity to update their Employee Election Form. As displacement assignments are made, the Company will assess whether to absorb employees displacing into these classifications or to proceed with further displacements at this time.

For displacements into other classifications, the Company will not proceed with further displacements at this time. The Company will assess whether to absorb the displaced employees or to proceed with further displacements and layoffs at a later date. If additional displacements are needed, the parties will discuss the need for additional notifications.

Step Five (Displacement – Title 206) – Employees not placed in a vacancy or electing leave or layoff with severance in Step Three will be provided an assignment under the provisions of Sections 206.3 through 206.7. These assignments will be in accordance with Letter Agreement 99-72 and the following understandings regarding hiring hall employees.

Hiring hall employees in the Gas Service Department will be released or their positions considered as vacancies for purposes of Step Five, except for those relieving an upgraded or absent employee (i.e., medical leave). If the regular employee they are relieving is displaced, then that hiring hall employee will be released when the displacing employee reports.

The effective dates of any layoffs, transitional leaves, job awards, or displacement assignments are not expected to take place until the Dispatch Centers are opened. This is expected to occur by December 31, 2006.

Step Six (Bidding – Title 205) – Company will assess additional Dispatch staffing needs and fill any remaining vacancies under the provisions of Title 205.

This process has been discussed with Assistant Business Managers Ken Ball and Dorothy Fortier.

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: /s/ 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

May 5, 2006

By: /s/ Perry Zimmerman
Perry Zimmerman
Business Manager