



# LETTER AGREEMENT NO. 07-12-PGE



PACIFIC GAS AND ELECTRIC COMPANY  
LABOR 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 RAYBURN  
DIRECTOR AND CHIEF NEGOTIATOR

TOM DALZELL  
BUSINESS MANAGER

February 21, 2007

Mr. Tom Dalzell, Business Manager  
Local Union No. 1245  
International Brotherhood of  
Electrical Workers, AFL-CIO  
P.O. Box 2547  
Vacaville, CA 95687

Dear Mr. Dalzell:

In the 2007 General Rate Case (GRC), Company proposed the closure of all eighty-four front counters at our local offices. The proposal was based on the Company belief that there were lower cost service options for customers and customer satisfaction would be maintained or even enhanced.

As with any CPUC proceeding and decision, intervener parties had a right to voice their difference of opinion as to whether any front counters should be closed. As a result, PG&E, the IBEW Local 1245, the California Coalition of Utility Employees, the CPUC's Division of Ratepayer Advocates, the California Farm Bureau, and other interested parties agreed today that, assuming certain conditions are met, nine (9) front counters could be closed.

The following nine (9) offices will be closed within 6 months of the Commission's approval of the Settlement: Alameda, Newman, Orland, Willits, Corcoran, Willow Creek, Petaluma, Half Moon Bay and Geyserville. These nine offices were selected based on the proximity of alternative PG&E offices nearby and/or low transaction volumes. There are eight (8) employees affected by the closure of these nine offices. It is important to note, all nine offices will remain open until the CPUC has approved the Settlement; however, they will be closed within 6 months of the Commission's approval of the Settlement.

This Settlement also allows PG&E to increase its Neighborhood Payment Centers from the current cap of 434 to 800 locations.

The Settlement is contingent upon ratification by IBEW Local 1245 members in the Customer Service line of progression. Employees will be provided with their specific options once the Settlement has been ratified.

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

June 29, 2007

By: /s/ Tom Dalzell  
Tom Dalzell  
Business Manager