



LETTER AGREEMENT NO. 07-59-PGE



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS 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

November 5, 2007

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 two pilot sessions of a Smoking Cessation program. The Company will be seeking 40 volunteers throughout the Company to participate in these pilot sessions. Volunteers will be required to share in the cost of the program by paying \$100 each to demonstrate their personal commitment. If they are successful and remain smoke-free for a period of eight months after the pilot session, this money will be refunded back to them. Volunteers will also be expected to cooperate fully, including doing the required pre-work. If this program is successful and implemented, the Company will look to these volunteers to be champions for the program and possibly ask them to discuss the success of the program with other employees at various meetings. These two pilot sessions will be held on November 5 and 6 in Fresno and in Sacramento. Volunteer slots will be filled on a first-come, first-serve basis.

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

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

November 29, 2007

By: /s/ Tom Dalzell
Tom Dalzell
Business Manager