

Cover Letter to IBEW Members:

IBEW Members at PG&E:

By this letter, you are being asked to vote on the attached letter agreement. It will only be signed if a majority of voting members of your bargaining unit (clerical or physical) ratify it.

Under the current Positive Discipline program, PG&E may not rely on de-activated positive discipline. If this letter agreement is ratified, the Company still may not rely on de-activated positive discipline, but it may rely on an employee's entire safety record. The underlying safety issue, not the discipline that it produced, could be used. This may be seen as a take-back from the existing program, but I believe that in the area of safety we are not doing an unsafe employee a favor by using positive discipline to preclude consideration of their overall safety performance. Our objective is not to keep unsafe employees on the job by hook or by crook; our commitment to safety demands more than a rigid application of the positive discipline policy.

In return for our agreement on this point, the Company would agree not to escalate discipline of an employee on positive discipline for a safety violation by using a minor event, defined as an event that would not in and of itself warrant at least a written reminder. We have seen instances in which employees on safety DML's have been terminated for truly minor violations. This letter agreement would eliminate that possibility.

I believe that these proposed changes are in our best interest and that the letter agreement would be a win-win. In the end, it is your opinion that matters. If you have any questions, please feel free to contact me at tmd9@ibew1245.com.

Sincerely,

Tom Dalzell
Business Manager
IBEW Local 1245



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 10-36-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR RELATIONS AND HUMAN RESOURCES 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

August 16, 2010

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 conjunction with ongoing Company and Union efforts to improve PG&E's safety culture and performance, the Company and Union have discussed possible changes to the Positive Discipline System related to safety. The proposed changes include:

1. When determining disciplinary action due to safety violations, the Company shall consider an employee's overall safety record, both positive and negative. Discipline shall be based on the employee's safety record as a whole, provided that each safety issue relied upon was brought to the employee's attention at the time of the incident.
2. The parties agree that an employee on a DML for a safety violation who commits a related minor infraction or who has multiple minor incidents that would not otherwise result in a written reminder or higher level of discipline, would not be subject to discharge.
3. The parties agree to establish a six-month pilot program incorporating the principles of the Federal Aviation Administration (FAA) Aviation Safety Action Program (ASAP). The objective of the ASAP is to encourage air carrier and repair station employees to voluntarily report safety information that may be critical to identifying potential precursors to accidents. The Federal Aviation Administration has determined that identifying these precursors is essential to further reducing the already low accident rate. Under an ASAP, safety issues are resolved through corrective action rather than through punishment or discipline. The ASAP provides for the collection, analysis, and retention of the safety data that is obtained. ASAP safety data, much of which would otherwise be unobtainable, is used to develop corrective actions for identified safety concerns, and to educate the appropriate parties to prevent a reoccurrence of the same type of safety event. An ASAP is based on a safety partnership that includes the FAA and the certificate holder, and may include a third party, such as the employee's labor organization. To encourage an employee to voluntarily report safety issues, even though they may involve the employee's possible noncompliance with safety rules, enforcement-related incentives have been designed into the program.

The parties will meet and discuss the specifics of the pilot program within 30 days of ratification of this letter agreement.

Mr. Tom Dalzell

-2-

August 16, 2010
L/A 10-36-PGE

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
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

_____, 2010

By: _____
Tom Dalzell
Business Manager