



LETTER AGREEMENT NO. 10-34-PGE



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

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

August 13, 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:

As you know, over the past year Operation department employees have been experiencing pay inaccuracies that are caused by a number of factors. One contributing factor to pay inaccuracy is the number and type of special premiums and how they apply to employees on 12-hour shifts. Special premiums add to the complexity of payroll and also to an employee's ability to verify that they are being compensated correctly.

Some of the premiums are already treated as base pay for all purposes and are paid on all hours worked, such as the NRC license premium. Other premiums are dependent on a work assignment or shift the employee may be assigned to at the time, such as the license class premium, the shift premium and the fire brigade premium. It would simplify the pay process if they were included as part of the negotiated straight-time wage rate in a manner that would not result in an overall decrease in pay for the employee.

With that in mind, the Company proposes that a local joint committee be established for the purpose of reviewing all premiums that apply to DCPD Operators and to make recommendations on those that could be included in the straight-time wage rate and, for those that would be included, the amount of adjustment that would be necessary. Recommendations will also include an assessment of SAP capability and implementation issues.

The Committee would be comprised of two Union representatives who hold an Operator classification and two Company representatives. Any recommendations agreed to by the joint committee would be subject to collective bargaining between the parties.

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: /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

September 8, 2010

By: /s/ Tom Dalzell
Tom Dalzell
Business Manager