



**Pacific Gas and
Electric Company.**

Jeffrey M. Delaney
Principal Negotiator
Labor Relations and
Human Resources

Mail Code N2Z
P. O. Box 770000
San Francisco, CA 94177
(415) 973-5998
Fax (415) 973-6736

10-29-ESC

October 11, 2010

Joshua Sperry, Senior Union Representative
Engineers and Scientists of California
Local 20, IFPTE, AFL-CIO & CLC
835 Howard Street, 2nd Floor
San Francisco, CA 94103

RECEIVED
UCT 14 2010
ESC, LOCAL 20, IFPTE

Dear Mr. Sperry:

The Company and ESC (Union) have engaged in discussions regarding the providing of information concerning the Company's use of outside contractors to perform work usually assigned to bargaining unit classifications in accordance with Subsection 27.2(b) of the parties' collective bargaining agreement. The ESC has requested that the Company provide certain information regarding such contracts, and the parties have agreed that:

- PG&E agrees to provide ESC with quarterly reports, modeled on the ESC Outsourced Work reports currently provided for Design Workload Oversight (Exhibit A to this letter), for the groups listed in Exhibit B of this letter.
- This agreement will continue with the term of current and future collective bargaining agreements unless either party provides notice of cancellation during general negotiations. The Company agrees that it will not cancel this agreement in general negotiations for the 2012 agreement and the parties recognize that the Company reserves the right to re-negotiate elements of this agreement during those negotiations.
- This quarterly report by PG&E will provide the following information with respect to each project outsourced in the past quarter: project and scope; date contract was let; estimated Full Time Equivalents (FTEs) of work; reason for outsourcing; and estimated date of completion. Projects shall be reported in the quarter following the letting of the contract. Changes to contracts which result in more outsourced work being performed shall be reported in the quarter following approval of the change order.
- Beginning January, 2011, the Company and Union agree to meet and confer for up to 6 months to determine the most efficient way to develop the report. Notwithstanding the outcome of those discussions, the Company agrees that it will, at a minimum, provide the Company's estimate of the Full Time Equivalents that would be necessary to perform this work if performed by Company personnel if such an estimated is not otherwise available.
- There shall be no reporting requirement for the use of Hiring Hall.
- It is understood by all parties that this reporting neither limits nor expands the Company's ability to contract work under the provisions of Subsection 27.2(b) during or after the term of this agreement. It is further understood by the parties that the Company will only report work usually assigned to the group or groups that are the topic of the report.

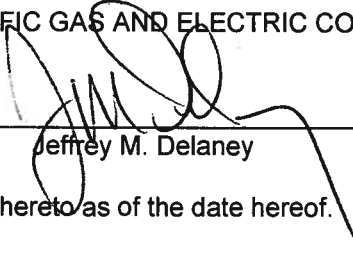
- This agreement provides for the reporting of information only and in no way is intended to impose any other requirements or restrictions that may currently exist with respect to Workload Oversight or Design Drafting labor management committee.

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 AND ELECTRIC COMPANY

By: _____


Jeffrey M. Delaney

The Union is in accord with the foregoing and agrees thereto as of the date hereof.

ENGINEERS AND SCIENTISTS OF CALIFORNIA
LOCAL 20, IFPTE, AFL-CIO and CLC

By: _____


Joshua Sperry
Senior Union Representative

10/18/10, 2010

EXHIBIT A

Form Quarterly Report

Will be provided in conjunction with the appropriate Labor Management Committee meeting.

Date	Project (Scope)	Date Let	FTE	Reason	Estimated Completion

EXHIBIT B

Functional Work Areas Covered by Letter Agreement

Area	Groups
Divisions	<ol style="list-style-type: none">1) Estimator and ADE2) Senior New Business Representative and Industrial Power Engineer3) Distribution Engineer4) Mapping Technician
Engineering	<ol style="list-style-type: none">1) Project Engineers (Civil, Substation, Transmission Line in Electric Planning and Strategy)2) Protection Engineers3) Substation Asset Strategy Engineers4) Grid M&C Engineers5) Electric Standards Engineers6) Telecom Engineers
Diablo Canyon Power Plant	<ol style="list-style-type: none">1) Project Engineers2) Procedure Writers3) Project Managers4) Maintenance and Construction Planning5) Quality Verification
Applied Technical Services	<ol style="list-style-type: none">1) Technicians and Technologists