

LETTER OF UNDERSTANDING

TRANSMISSION BARE HAND LIVE LINE WORK METHODS

This letter of Understanding is entered into this 16th day of February, 2007 between San Diego Gas and Electric Company (herein after referred to as "Company") and the International Brotherhood of Electrical Workers Union Local #465 (herein after referred to as "Union")

The Company and the Union agree that Transmission Working Foremen, Transmission Linemen and Transmission Equipment Operators "C" (Construction), who are trained, certified by SDG&E and utilizing "Transmission Bare Hand Live Line Work Methods" on overhead transmission facilities nominally energized at 69KV - 500KV, will receive a new hourly rate.

Transmission Working Foremen	\$43.49
Transmission Linemen	\$41.16
Transmission Equipment Operators "C" 1 st Year	\$27.89
Transmission Equipment Operators "C" Thereafter	\$28.83

The Company and the Union agree that Transmission Working Foremen, Transmission Linemen and Transmission Equipment Operators "C" (Construction), will receive the new hourly increases on March 10, 2007.


The Company and the Union agree that first year Apprentice Transmission Linemen and Transmission Line Assistant performing ground support activities, who are trained, certified by SDG&E and utilizing "Transmission Bare Hand Live Line Work Methods" on overhead transmission facilities nominally energized at 69KV - 500KV shall receive \$1.00/hr as a special skill premium in addition to their regular classification, for time worked that the employee performs such duties.

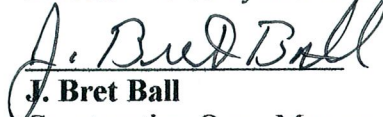
The Company and the Union agree that Operator Washers (who are Journeyman Linemen) and Thereafter Apprentice Transmission Linemen, who are trained, certified by SDG&E and utilizing "Transmission Bare Hand Live Line Work Methods" on overhead transmission facilities nominally energized at 69KV - 500KV shall receive \$1.00/hr as a special skill premium, in addition to their regular classification, for all hours worked.


The Company and the Union recognize further that other classifications may be trained for "Transmission Bare Hand Live Line Work Methods" such as, but not limited to "Transmission Patrolman" and "Transmission Equipment Operator" "W" (Wash) position. The Company and the Union have agreed that they shall receive a \$1.00/hr premium in addition to their regular classification, for time worked that the employee performs such duties.


Jim Marshall
Manager Labor Relations


James L. Freymiller
Principal Labor Relations Advisor


Vic Romero
Director - Kearny Maint. & Ops


J. Bret Ball
Construction Ops - Manager


John Hunter
Business Manager


James C. Leatherman
President IBEW Local 465


Julian Escobedo
Committee Member


Curtis Fitzgerald
Committee Member