



LETTER AGREEMENT NO. 00-02 -PGE



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(925) 974-4104

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
925-933-6060

RICK R. DOERING, MANAGER
AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

January 18, 2000

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Dear Mr. McNally:

The Company proposes to modify the residency requirements for the Gas Service Representatives located at the Richmond Service Center (Richmond headquarters), and the Oakport Service Center (Oakland headquarters).

The purpose of this agreement is to maintain and attract employees that live beyond the 30 minute residency requirement and to accommodate several employees who already live beyond the requirement not previously addressed through any Company and Union agreement. Currently in each headquarters, approximately 11% of the Gas Service Representatives live beyond 30 minutes from the headquarters.

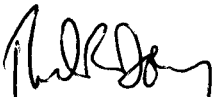
Specifically, the two East Bay headquarters will each waive the residency requirement until such time as 20% of the workforce lives beyond the 30 minute residency requirement. The current 11% of the employees who live beyond the 30 minute residency requirement in each headquarters will not be required to relocate, nor will subsequent newcomers to the department be required to live within 30 minutes, until the 20% maximum is reached. If a vacancy occurs and the number of employees living beyond the 30 minute residency requirement at that time is 20%, then the job offer of that vacancy will require the residency requirement as specified in Section 3.5 of the Physical Labor Agreement (30 minutes). This will be monitored by local supervision who shall review the employees' home address information prior to the time the bid is awarded.

This agreement has been reviewed with Lula Washington. Either the Company or Union may cancel this agreement with 30 days written notice.

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: 
Rick R. Doering, Manager 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

Date: March 8, 00

By: 
Jack McNally
Business Manager