



LETTER AGREEMENT NO. 01-12-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

STEPHEN A. RAYBURN, DIRECTOR
AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

March 16, 2001

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:

On December 31, 2000, the critical status of the Operators at Metcalf Control Center and the Edenvale Control Center expired. Company proposes to offer critical status at these headquarters to December 31, 2001, recognizing that the vacancy conditions specified in the critical classification letter agreement dated March 8, 1974, are not applicable. The Company further proposes to extend critical status at Golden Gate Control Center (SFDO), which is due to expire on May 11, 2001, to December 31, 2001.

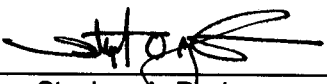
Metcalf Control Center has three System Operator vacancies. Edenvale Control Center has two System Operator vacancies. Golden Gate Control Center has two System Operator vacancies and one OIT vacancy. The System Operators and OITs at Metcalf and Edenvale Control Centers will have until April 7, 2001 to elect their critical status. The System Operators and OITs at Golden Gate Control Center will have until May 1, 2001 to elect their critical status. Employees who do not elect critical status will not receive the 8% premium.

Company also proposes the following exceptions to the March 8, 1974, critical classification Letter Agreement: Employees who elect critical status or any new employees hired, bidding or transferring into the headquarters will be designated as critical and will receive the 8% premium and will not have their bids or transfers given consideration until the expiration of the critical status, December 31, 2001.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided below 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

April 12, 2001

By: 
Jack McNally
Business Manager