



LETTER AGREEMENT NO. 01-13-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 23, 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:

Letter Agreement 00-53 modified the Title 206 displacement process for employees assigned to phase II steam plants (Potrero, Pittsburg, Contra Costa and Geysers). That agreement allowed Title 206 assignments to be generated approximately 6 months prior to the end of the O&M obligation to coincide with the Company ERI offering and employment offers from the new plant owners. Employees were given until April 1, 2001 to accept or decline their Title 206 assignment.

Subsequent to these assignments, a number of employees were awarded jobs under Title 205, but have had their report dates delayed until after the end of the O&M obligation. Some of these employees have been reluctant to decline their Title 206 assignment, thereby releasing these jobs for someone else, until they are certain as to whether or not the Title 205 assignment will still be there at the end of the O&M obligation. Based on discussions between the parties, there is reason to believe that if some employees who have a 205 bid elect to be tagged into the position effective April 1, 2001, thereby waiving their Title 206 assignment, other employees may be eligible to select a more desirable 206 option.

To address this concern, the Company proposes the following:

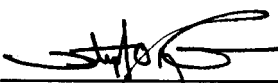
1. Employees who have been awarded jobs under Title 205, and who have had their report dates delayed until after the end of the O&M period, will be provided the option of being placed into their Title 205 assignment on a regular basis by payroll change tag effective April 1, 2001. In return, such employee shall decline the Title 206 assignment.
2. Such employees will continue to work, on temporary assignment, in their Steam Department classification and location until released on or before the end of the O&M obligation, but will not be entitled to temporary expenses under Section 202.23 of the Agreement.
3. Such employee shall be considered to be in the new classification and headquarters for the purposes of Titles 205 and 206 upon execution of the payroll change tag dated April 1, 2001.

- 4. Final payment of retention bonus, as provided for in LA 97-53, will still apply at the conclusion of the O&M obligation. Additionally, the wage protection provisions of LA 97-53 shall begin for such employees on the date they physically report to their Title 205 assignment.

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

March 23, 2001

By: 

Jack McNally
Business Manager