



LETTER AGREEMENT NO. 02-41-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

PERRY ZIMMERMAN, BUSINESS MANAGER

September 13, 2002

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

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

Company proposes to realign the Bill Printing, Mailing, and Payment Processing (BPM&PP) headquarters to appropriately align work functions. The existing organization includes Bill Print and Mail (BPM), Payment Processing Center (PPC) and Correspondence Management Center (CMC) as separate headquarters. The proposed newly aligned organization will establish a Customer Information Assistance (CIA) headquarters that will combine certain units currently aligned under Correspondence Management and Payment Processing. They are Research (PPC), Literature Fulfillment (CMC), and Correspondence Management (CMC). In addition, the Immediate Office will be moved into the new CIA headquarters.

Company also proposes to update Exhibit A, Accounting and Computer Operations Lines of Progression to reflect the current organization as follows:

"The Vice President and Controller's Organization is comprised of the following sections: Major Billing, Bill Processing, Payroll, Capital Accounting, Miscellaneous Billing, Payment Processing, Revenue, Accounts Payable, Budget, Corporate Accounting, and *Customer Information Assistance*. The Computer Operations Department consists of the Data Recording and Output Operations sections."

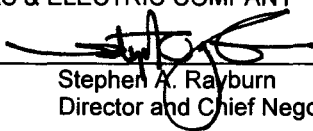
This letter agreement will be effective on the date of ratification of the Office and Clerical Employees Collective Bargaining Agreement and may be cancelled by either party upon 60 days written notice to the other of such cancellation.

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

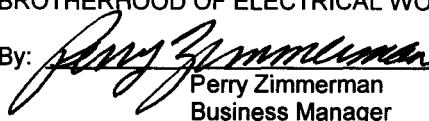
By: _____


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

By: _____


Perry Zimmerman
Business Manager

June 11, 2002