



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 04-31-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
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INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700

STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

June 23, 2004

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

The parties recently met regarding the closure of the Customer Records Center on Old Placerville Road in Sacramento. The Company will be making the following reductions in the Sacramento Records Center:

- 2 - Sr. Service Rep I's
- 55 - Service Reps
- 2 - Utility Clerks-CS

Company proposes, pursuant to Section 19.12 of the Clerical Agreement, the following to address the needed reduction:

Step One (Section 19.1 Notice) – On June 11, Company met with the impacted employees (A List) at the Sacramento Records office and provided 19.1 Notification with accelerated bidding and transfer rights in accordance with Section 19.9.

Step Two (Enhanced Vacancy Options) – In order to minimize the impact to employees, the Company will assemble a list of appropriate vacancies. This list will include entry-level clerical classifications, Service Representatives, Operating Clerks, and Meter Readers (for those with 19.5 rights to Meter Reader). In assembling this list, the Company will review positions held by hiring hall employees and determine if there is a need to fill the position on a regular basis.

Impacted employees will be able to prioritize their interest in these vacancies, as well as their preference for layoff (with severance), move to the Sacramento Call Center in their same classification, or to exercise their Title 19 rights. Employees may not be placed into a position having a higher wage rate than their current classification except as provided in accordance with the provisions of Title 19. Employees will be asked to return their prioritization list within seven calendar days of receipt.

Company will make assignments from the prioritized lists based on seniority and qualifications. Employees placed into vacancies under this process will be removed from the A List. These employees will have accelerated bidding and transfer rights in accordance with Section 19.9. Employees who are not placed into a position from the vacancy list will be subject to displacement.

Step Three (Section 19.2 Notification) – Concurrent with Step Two, A List employees will be provided with their 19.2 Notice. Employees will be notified of the specific date that the Title 19 job assignment process will begin. The process will begin no less than 14 days following the notice and employees will have until two days prior to the start of the assignment process to update their Employee Election Forms.

Company will provide system-wide notice of this displacement activity to allow all employees the opportunity to update their Employee Election Form.

Step Four (Displacement - Title 19) – In the event the needed reductions and movements of employees are not accomplished with the use of the first two steps, the Company will implement the provisions of Sections 19.3 – 19.7 in accordance with L/A 99-72 and the following understandings:

Hiring Hall

All hiring hall employees in the Customer Services Department will either be released or their positions considered as vacancies for purposes of Step Four, except for those relieving an upgraded or absent employee (i.e., medical leave). If the regular employee they are relieving is displaced, then that hiring hall employee would be released when the displacing employee reports.

Meter Reader hiring hall employees will be considered as vacancies for purposes of Step Four except for those relieving an upgraded or absent employee (i.e., medical leave). If the regular employee they are relieving is displaced, then that hiring hall employee would be released when the displacing employee reports.

Entry-level clerical hiring hall employees or temporary agency workers (other than in Customer Services) will be released if a regular employee in their classification and headquarters is displaced.

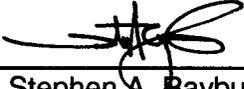
Once the displacement process is completed, the parties will discuss the issue of shift changes.

This process has been discussed with Assistant Business Manager Dorothy Fortier and Sr. Business Representative Ken Ball.

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

6-30, 2004

By: 

Perry Zimmerman
Business Manager