



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 04-62-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 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700

STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

December 17, 2004

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

Dear Mr. Zimmerman:

The parties recently met regarding the lack of work in Major Billing and Miscellaneous Billing Sections, and Bill Processing and Customer Information Assistance. Due to process improvements resulting in a reduction/elimination of the Non-energy billing adjustment and refund and damage claim billing work, computer operations automation, and process changes relating to CorDaptix, the Company will be making the following reductions:

Miscellaneous Billing

1 – Sr. Acct. Clerk II
3 – Acct. Clerks
1 – Utility Clerk

Major Billing

1 – Sr. Acct. Clerk II
1 – Sr. Acct. Clerk I
4 – Acct. Clerks
1 – Utility Clerk

BPM&PP

2 – Sr. Computer Operators
2 – Acct. Clerks or higher

Technology changes following the implementation of CorDaptix have resulted in changes to Streetlight and Employee Rates work performed within Major Billing, Post Audit and Records. This work has historically been shared between this group and Stockton Records. Given these changes, Company will be transitioning the remaining work to Stockton Records.

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

Step One (Voluntary Layoff) – All clerical employees in Major Billing and Miscellaneous Billing, will be given the opportunity to request voluntary layoff with severance by indicating such on their Employee Election Form (19.7). Employees within Bill Processing whose base classification is either Sr. Computer Operator or Computer Operator, and employees within Customer Information Assistance whose base classification is Accounting Clerk or higher in the Line of Progression will be given the opportunity to request voluntary layoff with severance by indicating such on their Employee Election Form. Employees will be given 7 days from notification to complete/update their form. The Company will grant voluntary layoff with severance by seniority, to the employees in these sections, until the needed number of reductions is met.

Any vacancies created by the voluntary layoffs of affected employees will be captured thereby reducing the number of employees affected. The remaining vacancies will then be filled in the manner described in steps two and three below.

Step Two (Reassignment Within Section) – Affected employees will be assigned to vacancies (created by those taking voluntary layoff with severance and through subsequent bidding) in the same classification and Section where work remains. In the case of multiple vacancies and/or employees to be placed, preference will be given to employees with the greatest service.

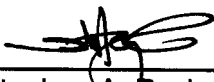
Step Three (Bidding - Title 18) – If there are more vacancies than the needed reduction in an affected classification/section (e.g., Sr. Acct Clerk II/Major Billing), these vacancies will be filled in accordance with Title 18. Vacancies in an affected classification, but outside the affected section (e.g., Sr. Acct. Clerk I/Revenue) will be held for Title 19. Company will hold vacancies up to the number of remaining impacted employees in that classification, and then proceed to fill any remaining vacancies in accordance with Title 18.

Step Four (Displacement - Title 19) – In the event the needed reductions and movements of employees are not accomplished with the use of the three steps above, the parties will meet to review any other options prior to implementing the provisions of Title 19. At that time, the Company will provide the required notice to all potentially impacted employees (anticipated at this time to be within Demotion Unit 11) and all Hiring Hall assignments in the Vice President & Controller’s Organization will end, or be treated as regular vacancies for purposes of Title 19.

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

1-27- ⁵ 2004

By: 

Perry Zimmerman
Business Manager