



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 05-04-PGE

IBEW



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

February 10, 2005

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:

Letter Agreement 90-08-PGE currently affords an employee who receives official demotion or layoff notice a shortened waiting period to retake an employment test, as long as the employee has not exhausted the number of allowable attempt(s) for the test. Company proposes this Letter Agreement to afford similar retest treatment to an employee who is on official notice of a return-to-work event (e.g., the LTD return-to-work provisions in Sections 2.24 and 2.19 of the LTD Plan or an internal job search). To promote consistency among employees subject to this Letter Agreement, as well as those subject to Letter Agreement 90-08-PGE, the following shall apply to all future retest situations.

1. To allow an employee an available retest attempt before the expiration of demotion/layoff snap shot date, return-to-work, or internal job search period, the Company shall shorten any established retest period that is longer than one month to one month.
2. For demotion/layoff situations only, if shortening the retest period to one month does not allow an employee sufficient time to exercise his or her displacement rights, the Company shall further shorten the one-month retest period to afford the employee one retest attempt before the snap shot date. The duration of the shortened period shall depend on the type of test at issue and the specific circumstances of the employee subject to the request.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

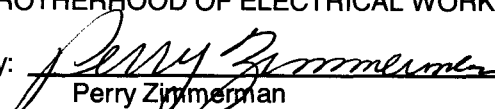
By: _____


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

April 20, 2005