



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

April 13, 2005

LETTER AGREEMENT

NO. 05-14-PGE

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:

Ms. Tracy Davis, Ms. Stacy Matthews, and Mr. William Guinn, II are currently receiving Long-Term Disability (LTD) benefits because they are each precluded from returning to their prior base classification of Meter Reader. Each of them has been contacted and placed on notice under the LTD Plan Return to Work (RTW) Program and have been medically approved for placement into the Service Representative classification.

The Sacramento Call Center (SACC) currently has part-time Service Representative vacancies in the unrestricted mode, of which the three LTD employees are test qualified to perform. According to the LTD Plan provisions as stated in Letter of Agreement 04-56-PGE, a "Participant shall accept an offer to any classification for which Participant is qualified (test and medical) and that is at the Participant's last regular headquarters or in a headquarters within 45 road miles or 60 minutes automotive travel time from the Participant's current residence or the residence at the time the Participant became disabled, or to a headquarters that exceeds 45 miles/60 minutes to equal the Participant's last regular commute if the Participant's last regular commute exceeded these limits. Participant shall return to the active payroll on the report date designated by the Employer. Participant shall not receive less than 110% of their current LTD rate when returned to the active payroll." The part-time Service Representative positions at SACC meet the provisions for placement under the LTD Plan, meaning they are no longer eligible to receive LTD benefits.

Pursuant to the Section 7.15 of the Clerical Agreement and the provisions of the LTD Plan RTW Program, the Company proposes to return the above-referenced employees to part-time Service Representative positions on April 14, 2005. In the event of a Title 19 action only, the above-referenced employees will be considered full-time employees despite their part-time status, as long as they have taken every opportunity to return to full-time status. In order to obtain full-time positions, the abovereferenced employees would be required to submit their prebids to full-time Service Representative positions. Following the SACC shift change, which occurs on April 17, 2005, there will be full-time Service Representative vacancies for which they may submit prebids immediately. Ms. Matthews' and Mr. Guinn, II's wages will be paid in accordance with Subsection 7.10(b)(2) of the Clerical Agreement and Ms. Davis' wages will be in accordance with Subsection 13.7(a) of the Clerical Agreement.

This proposal has been discussed with Assistant Business Manager Bob Choate.

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. Ravburn

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

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