



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 05-50-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

September 30, 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:

The parties met on September 12, 2005 to discuss the lack of work in the Payroll Department created by the elimination of the KeyMaster program and move to web-based screens. This change in technology will result in the elimination of the one Data Entry Operator and one Lead Data Entry Operator.

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

On September 15, 2005, Company met with the impacted employees in the San Francisco headquarters to explain the need for the reduction and provided Section 19.1 notification with accelerated bidding and transfer rights in accordance with Section 19.9 of the Agreement.

Upon the execution of this agreement, Company will offer both employees Section 19.7 layoff with severance in accordance with Exhibit K of the Clerical Agreement.

Should one or both Data Entry Operators decline the layoff with severance offer, Company and Union will meet to discuss proceeding with the implementation of Sections 19.3 – 19.7 in accordance with Letter Agreement 99-72 including: a date for Section 19.2 notification, a plan for communicating with employees, any hiring hall employee(s) in the Vice President & Controller's organization, and other special provisions that may reduce the impact of the displacement(s).

This process has been discussed with Assistant Business Manager Dorothy Fortier and Assistant Business Manager 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

By: _____

Perry Zimmerman
Business Manager

Oct 6,

_____, 2005