



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 05-65-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

December 1, 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 October 19, 2005 to discuss the lack of work in the Customer Fund Management (CFM/MLX) unit in the Revenue Section of the VP & Controllers Department which will result in the elimination of two Sr. Accounting Clerk I positions in the San Francisco General Office (PG&E Utility Operations, Customer Service & Revenue Department). The need for the reduction is a result of the Customer Fund Management project which will automate the Engineering Advance process. This automation of engineering advances will replace the current manual process that involves receiving checks in the field from customers and processing them into the system.

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

The parties agreed to provide Section 19.1 notification to all seven Sr. Accounting Clerks in the CFM/MLX group as soon as possible so that they may exercise their preferential bidding/transfer rights pursuant to Section 19.9 of the Agreement.

Upon the execution of this agreement, Company will offer to all seven Sr. Accounting Clerks in this group Section 19.7 layoff with severance in accordance with Exhibit K of the Clerical Agreement. In the event there are more than two volunteers, Company will grant layoff with severance to the two volunteers with the greatest years of service.

In the event that there are insufficient volunteers, Company and Union will meet to discuss the possibility of expanding the voluntary severance offer to a larger group prior to proceeding with the provisions of Sections 19.2 – 19.7.

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

12-22

, 2005

Handwritten initials