

P.O. Box 4790
 Walnut Creek
 CA 94596
 3063 Citrus Circle
 415 933.6060
 FAX 415 933.0115

December 6, 1989

Pacific Gas and Electric Company
 215 Market Street
 San Francisco, CA 94106

Attention: Mr. Richard B. Bradford, Manager of Industrial Relations

Gentlemen:

As a result of discussions during Rerate Interim Negotiations, the parties have been reviewing the work assignment of Fresno Dispatchers.

Union's concern revolves around the impact of new technology on the number of operating positions in the system. If new technology would cause fewer bargaining unit opportunities, the appropriateness of the Fresno Dispatching Center would become more critical.

However, it has been indicated that recent technological advancements have not decreased the number of operating positions, but created a different "mix" of work. Various locations have been automated resulting in the movement of bargaining unit personnel, but the number of such personnel has not been reduced.

Accordingly, Union proposes to suspend the investigation and discussion of the work assignments at the Fresno Dispatch Center until such time that the number of bargaining unit Substation and Hydro operating positions, on a system-wide basis, are reduced from the present complement.

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 Union.

Very truly yours,

LOCAL UNION 1245, INTERNATIONAL
 BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

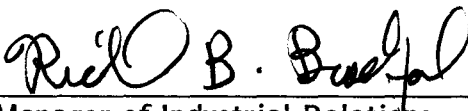
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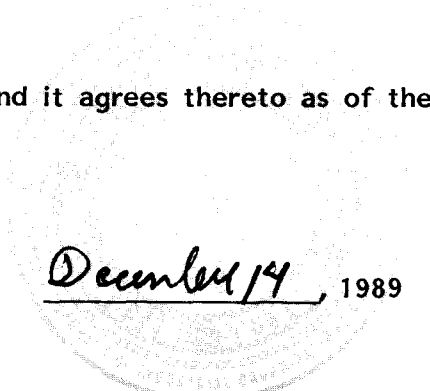

 Business Manager

The Company is in accord with the foregoing and it agrees thereto as of the date hereof.

PACIFIC GAS AND ELECTRIC COMPANY

By


 Manager of Industrial Relations


 December 14, 1989

89-212-PGE

IBEW

International
 Brotherhood of
 Electrical
 Workers, AFL-CIO

Jack McNally
 Business Manager

Howard Stiefer
 President