



LETTER AGREEMENT NO. 99-40-PGE



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 4790
WALNUT CREEK, CALIFORNIA 94596
925-933-6060

RICK R. DOERING, MANAGER
AND CHIEF NEGOTIATOR

JACK McNally, BUSINESS MANAGER

May 26, 1999

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Dear Mr. McNally:

The Company proposes to amend the provisions of Section 111.15 of the Physical Agreement in order to allow employees to voluntarily sell their vacation and transfer the proceeds to The Matthew Main Memorial Fund for Katie Main, the spouse of Matthew Main, a PG&E Painter "A" who passed away on May 19, 1999 as a result of injuries suffered off the job. These proceeds will relieve the personal financial difficulties being experienced by Mrs. Main as a result of her husband's death.

This proposal has been discussed with Mike Haentjens, local Union Business Representative.

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,

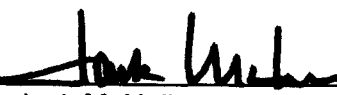
PACIFIC GAS & ELECTRIC COMPANY

By: 
Rick R. Doering, Manager 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

 1999

By: 
Jack McNally
Business Manager