



LETTER AGREEMENT NO. 99-68-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

November 15, 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:

Pursuant to Section 3.5 of the Physical Labor Agreement, the Company proposes to modify the residency requirements for the Gas Service Representatives located at the Cinnabar and Edenvale headquarters in San Jose. Letter Agreement 97-84-PGE, which set the out of area residency maximum at 40% of the workforce, was negotiated due to a difficulty in attracting employees within the 30 minute residency requirement. This is no longer a problem and the current workforce is 25% out of area.

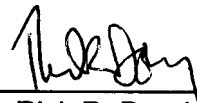
Company would like to amend Letter Agreement 97-84-PGE, to allow a maximum of 20% of the Gas Service Representative workforce to live beyond the 30 minute residency requirement. The San Jose Gas Service Representatives who currently reside outside the residency requirement will be accommodated but residency will be enforced for any new bidders. When the 20% maximum is reached and local supervision submits a requisition to fill a vacancy, the supervisor will review the home address of the current employees to determine whether to enforce the residency requirement.

Either party may cancel this agreement by providing the other party 30 days written notice.

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

3/8/2000 1999

By: 
Jack McNally
Business Manager