

NO. R1-02-42-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

STEPHEN A. RAYBURN, DIRECTOR AND CHIEF NEGOTIATOR PERRY ZIMMERMAN, BUSINESS MANAGER

May 1, 2003

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

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

Company proposes to establish as two separate headquarters in Stockton, the Credit and Records departments located at 8110 Lorraine Avenue. Currently, this organization is a single headquarters, which was established in June 1987 as the Credit and Collections Center.

With the consolidation of Records to this headquarters, the number of employees has more than doubled to over 300, and a clear delineation of functions and responsibilities exists between Credit and Records. Due to the difference in and complexity of work and need for training, employees are not customarily reassigned to move between the two groups. Due to the extensive time required for cross training between the two sections, overtime equalization has been the subject of numerous discussions between the parties.

The establishment of two headquarters, at 8110 Lorraine Avenue, will facilitate the administration of vacation scheduling and overtime distribution for both company and employees. In accordance with Subsection 8.13 of the Clerical Agreement, vacation scheduling in the Credit and Records departments will be treated as separate headquarters. Further, for the purposes of Title 12 Overtime, the headquarters are considered separate.

For purposes of Title 19, if either headquarters, Credit or Records, initiates a Title 19 activity, affected employees shall be afforded 19.3 and/or 19.4 options within the combined headquarters prior to going to the Demotion Area.

A "New Jobs at Headquarters" will be posted identifying new bid codes for the classifications in Records. Existing bid codes will continue to be used for the classifications in Credit. The establishment and posting of the new bid codes will be "FOR INFORMATION ONLY".

The parties propose an effective date of January 1, 2004.

This agreement may be cancelled by either party upon 60 days written notice to the other of such cancellation.

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

Rv.

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

3

Perry 7 immerma

Business Manager