LETTER AGREEMENT
No. R1-92-19-PGE

Pacific Gas and Electric Company
Industrial Relations Department
215 Market Street
San Francisco, California 94106
[415] 973-1125

International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
P.O. Box 4790
Walnut Creek, California 94596
[415] 933-6060

Ronald L. Bailey, Manager or
David J. Bergman, Director and Chief Negotiator

Jack McNally, Business Manager

March 3, 1992

Local Union No. 1245
International Brotherhood of
  Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94596

        Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Currently several journeymen IBEW members of Gas Transmission and Storage are
under consideration for exempt positions with the Pipeline Expansion Project.
These positions are temporary by nature and will likely last from one to two years.
Under present organization, these project positions are employed by Pacific Gas
Transmission Company.

GT&S wishes to facilitate these developmental opportunities for its employees, yet
preserve their employment security rights they currently possess by waiving the
provisions of Section 206.10(c) of the Physical Agreement. Therefore, Company
proposes, pursuant to Section 206.12, to allow the effected employees to return
to their current classification and headquarters upon completion of their
assignment, with no loss of seniority or service, without requirement for a vacancy
to exist. Company shall fill the vacancy created by the employee transferring to
the project, and department vacancies resulting from the backfill; no employee

will be displaced upon the return of the project employee. (The "floor" numbers, as identified by LA 88-104, will not be increased upon the return of the project employee.)

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By _____
        Director and Chief Negotiator

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

LOCAL UNION NO. 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO

_____, 1992   By _____
                                        Business Manager