



LETTER AGREEMENT NO. R2-00-14-PGE



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2050 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

LAURA SELLHEIM, ACTING MANAGER
AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

April 12, 2000

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 has elected to close the San Francisco Call Center and to establish a similar number of positions at the Company's three remaining call centers. The Company has also elected to consolidate the Customer Service Records function to the Stockton Credit & Records Center with a satellite Records office in the Sacramento Florin-Perkins headquarters. These changes are being made to increase efficiency, reduce costs, and maintain the Company's competitiveness as a preferred supplier of gas and electricity.

In accordance with discussions between the parties and pursuant to Sections 18.17 and 19.12 of the Clerical Agreement, the Company proposes the following:

1. Section 19.1 Notification

Employees directly impacted by the closure of San Francisco Call Center and Records consolidation shall be given Section 19.1 notification, including Subsection 18.5(a) and 18.8(a) preferential bidding/transfer rights to available vacancies. Employees will be given two weeks to submit bids/transfers, after which Company will fill vacancies with employees exercising "a" rights.

2. Title 19 Employee Election Forms

Customer Services line of progression employees in a headquarters directly impacted by the above consolidations shall be advised of the consolidations and resulting displacements and will be given two weeks to update their employee election forms.

3. Offering of Severance

Prior to the Company filling vacancies with "a" bidders, the Company will review the Title 19 election forms of clerical employees in the Customer Services line of progression in those impacted headquarters where displacements will occur. The Company will grant severance, by seniority, to those employees who have prioritized Section 19.7 Layoff as their top preference until the needed number of reductions are reached within a headquarters. Employees eligible for retirement may elect 19.7 layoff, receive severance, and retire.

The Company will rescind the Section 19.1 notification letter and preferential bidding rights to employees initially targeted for displacement if they are no longer impacted due to another employee electing to take severance in their headquarters.

4. Moving Allowance

In addition to those employees who are displaced under the provisions of Title 19, those employees who exercise their Subsection 18.5(a) or 18.8(a) preferential rights will also qualify for an enhanced moving allowance up to a \$5,000 in accordance with the guidelines established in Section 19.8 of the Clerical Agreement.

5. Retraining Assistance

After successful completion of an approved course as outlined in Exhibit B of the Clerical Agreement, a refund of 100% of the direct cost will be made up to a cap of \$5,000 per year for the year immediately following separation from the Company for those employees who are laid off as a result of these displacements. Employees must meet the eligibility requirements outlined in paragraphs B and C of Exhibit B.

6. Meter Reader Positions

Directly impacted employees who were previously Meter Readers will be given preferential "a" transfer rights to Meter Reader vacancies until the Company begins the involuntary displacement process. The Company will also fill Meter Reader vacancies with employees who have previously been given preferential transfer rights to Meter Reader positions.

Meter Readers on the attached list have been identified as being displaced by Steam Generation employees at Moss Landing and Morro Bay Power Plants and shall also be given preferential transfer rights to Meter Reader vacancies which they may voluntarily exercise. If these employees are actually displaced by Steam Generation employees at a later date, they will receive their Title 206 displacement rights at that time.

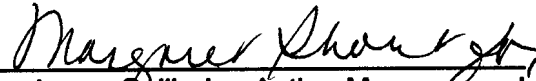
7. New Jobs at Headquarters

In order to offer impacted employees the maximum number of vacancies, the Company will include in the list of vacancies attached to the 19.1 notification letters approximately twenty-five new positions that will be listed as new jobs on the April 15 list of new jobs in headquarters. While the Company normally provides employees 18 days to submit bids after a job is posted as a new job in headquarters, the Company will begin making job awards to these positions on May 1, 2000 in order to meet the timeline for filling jobs with "a" bidders.

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

By: 
Laura Sellheim, Acting 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

April 12, 2000

By: 
Jack McNally
Business Manager

Meter Readers given 19.9 Preferential Transfer Rights to Meter Reader Vacancies

Last Name	First Name	SSN	Homequarters
Towley	Linnea	7858	Monterey
Ewan	Stephanie	6778	King City
Botelho	Cindy	4849	Hollister
Luna	Reyes	4354	Salinas
Gutierrez	Gary	3733	Salinas
Allen	Janet	6917	San Luis Obispo
Kilty	Sean	5248	Monterey
Null	Franklin	1095	Monterey
Gaither	Kari	3791	San Luis Obispo
Preheim	Rodney	3564	Santa Maria
Walker	Anthony	3805	Salinas
Furtado	Kari	6992	Santa Maria
Betterley	Terry	6769	Monterey
Ghezzi	Catelle	5026	Monterey
Bates	Pamela	69208	San Luis Obispo
Dutro	Amy	60367	Monterey
Munoz-Perry	Diana	72471	Templeton