



LETTER AGREEMENT NO. R5-00-32-PGE

IBEW



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, MANAGER
AND CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

September 8, 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 October 27, 1999 cover letter to the 1999 general bargaining settlement states in Item 12, Contracting, that the effective date of Exhibit XVI is July 1, 2000 in order to implement the reporting requirements. The Company and Union have met a number of times in an effort to meet this date and have made significant progress. In an effort to develop an accurate and trackable process, a phased in approach is being recommended.

The Company proposes the following process. The Company will begin notifying contractors of their obligations under the new provisions of the Collective Bargaining Agreement and revising contracts as agreed in the subcommittee recommendation. The provisions of Exhibit XVI, Departmental Contracting Out of Work Provisions #4 and #5 will become effective on December 31, 2000. During this time, the obligation to maintain floor numbers pursuant to Section 207.2 of the prior Agreement shall remain in effect. All other provisions of Exhibit XVI are effective on July 1, 2000. The Company must be in compliance with the provisions of Section 207.2 and Letter Agreement 88-104 on October 31, 2000.

Hours of work by contractors, hiring hall employees and employees will be tracked for six months (July 1 through December 31, 2000) and the formula provided in the Departmental Contracting Out of Work Provisions #4 and #5 will be applied on a pro rata basis.

In the future application of Exhibit XVI, when the Company wants to contract out work normally performed by the bargaining unit, the Company will notify the designated Local 1245 representative(s) in advance to ensure compliance with the Agreement. The Union's designated representative shall respond to Company's notice of intent to contract in a timely manner.

On the next workday following the 15th of the month, the Company shall provide the Union a list of all contracts awarded in the previous calendar month.

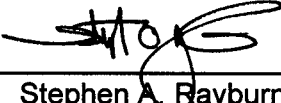
The Union or Company may request an Exhibit XVI 94-53 meeting at any time. In the event there is a dispute to whether the work contracted or to be contracted is work normally performed by the bargaining unit, the Exhibit XVI 94-53 Committee shall meet as soon as possible to resolve the issue.

This phased in implementation is considered as meeting our obligation under Item 12 of the cover letter.

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: 

Stephen A. Rayburn
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

Sept 13, 2000

By: 

Jack McNally
Business Manager