

Pacific Gas and Electric Company

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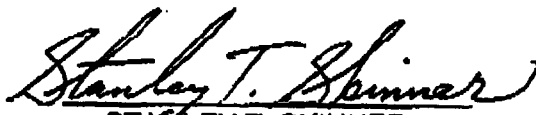
April 5, 1995

**PG&E EMPLOYEES:**

PG&E and IBEW Local 1245 agreed today to begin a new process of dialogue to address issues related to a new labor-management partnership to maintain and operate the gas and electric systems to ensure the delivery of safe, reliable, responsive service to PG&E customers. Specifically, to begin this process:

1. PG&E rescinds the current 206 and 306 activity within Customer Energy Services. Customer Energy Services employees who received 206 or 306 notices and bid or transferred to other classifications will be allowed to return to their previous classifications and headquarters if they choose to do so within 15 days after notification.
2. The current 206 and 306 process will continue in other business units. However, the company and union will immediately begin discussing the change in displacement options for employees in other business units resulting from rescission of the 206 and 306 notices to Customer Energy Services employees.
3. The principles of Letter Agreement 94-53 will be utilized to establish labor-management cooperation committees to address the following issues:
 - a) Determine the labor force required to deliver safe, reliable, and responsive service, and address issues related to storm response, infrastructure maintenance, etc.
 - b) Determine appropriate Performance Based Ratemaking targets to be used in future regulatory proceedings (i.e., CPUC).
 - c) Other issues as agreed to.

PG&E and IBEW Local 1245 will jointly use expert external consultants for the above.


STANLEY T. SKINNER
President and CEO
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JACK McNALLY
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