



LETTER AGREEMENT NO. 00-33-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, MANAGER
AND CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

July 14, 2000

Stephen A. Rayburn
Manager and Chief Negotiator
Industrial Relations Dept.
Pacific Gas & Electric Co.
2850 Shadelands Drive, Suite 100
Walnut Creek, CA 94598

Dear Mr. Rayburn:

By way of Letter Agreement No. R1-91-113-PGE, signed September 27, 1991, the parties established an agreement on issues related to incentive, recognition and reward systems. That agreement was amended by way of Letter Agreement R1-92-48-PGE.

Letter Agreement R1-91-113-PGE stated, in part:

TYPES OF RECOGNITION

Recognition awards under this agreement are intended to be goods or services with a value not to exceed \$100.00. No cash awards are to be included. Some examples of awards include: meals, gift certificates, sporting event tickets, clothing, merchandise, and services. If gift certificates are given, they can not be redeemable for cash. In addition to not awarding cash, granting additional paid time off is not permitted.

FREQUENCY OF AWARDS


The \$100.00 award limit is per employee per calendar quarter.

With the passage of time and the impact of the rise in the cost of living, it is recognized that the value of the above cited limits have eroded. With that being the case, IBEW Local 1245 proposes to adjust the "value not to exceed" to \$200. The prohibition for cash awards shall remain unchanged. The frequency of awards will continue to be limited to a calendar quarter, where the value of the goods or services will not exceed \$200 received during the quarter.

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 Union.

Very truly yours,

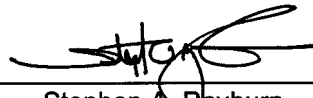
LOCAL UNION 1245, INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO

By: 
Jack McNally
Business Manager

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

PACIFIC GAS AND ELECTRIC COMPANY

September 1, 2000

By: 
Stephen A. Bayburn
Manager & Chief Negotiator