

WE DELIVER ENERGY."

LETTER AGREEMENT





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, DIRECTOR AND CHIEF NEGOTIATOR PERRY ZIMMERMAN, BUSINESS MANAGER

April 22, 2003

Local Union No. 1245 International Brotherhood of Electrical Workers, AFL-CIO P.O. Box 4790 Walnut Creek, CA 94598

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

The Company proposes, pursuant to Section 18.17 of the Clerical Bargaining Agreement, to move two Data Entry Operators from VP & Controller/Billing to VP& Controller/Payroll. All bidding and demotion rights will remain unaffected because the employees will remain in the same contractual department.

Due to the implementation of CorDaptix and shift in work, these two employees (Erlinda Mahdi, employment date 7/22/69 and Concepcion Dayoan, employment date 7/2/73) who have been working in the Billing section are now providing full time support to Payroll.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided below and return on executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

Bv: Stepher

Director 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

June 11 2003

Perpy Zimmerman Business Manager