

NO. 04-52-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 2547 VACAVILLE, CALIFORNIA 95696 (707) 452-2700

STEPHEN A. RAYBURN, DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN, BUSINESS MANAGER

November 12, 2004

Mr. Perry Zimmerman, Business Manager Local Union No. 1245 International Brotherhood of Electrical Workers, AFL-CIO P.O. Box 2547 Vacaville, CA 95696

Dear Mr. Zimmerman:

In an effort to be the new business provider of choice, the Company proposes a 24-month New Business Pilot. During this pilot, the Company will encourage developers to come to PG&E for their new business work by committing to meet all reasonable schedule requests.

While the PG&E workforce will continue to be considered for new business work, the Company may contract out work during this pilot in order to meet a developer's schedule. New business work that is contracted out will be treated as if it was developer-installed and the provisions of Exhibit XVI will not apply during this pilot. If the Company uses Company crews to perform the new business work, which will require the Company to backfill behind the crew with contractors, those contracting hours will also be treated as not contracting and the provisions of Exhibit XVI will not apply during this pilot.

The following provisions will apply during this pilot.

- 1. Any new business work contracted out will be performed by a contractor that is signatory with Local 1245.
- 2. All other contracting will continue to be within the provisions of Exhibit XVI.
- 3. The Company will increase the PG&E workforce if the pilot is successful and there is a sustained increase in new business work and no decrease to the current base workload.
- 4. The Company will update the Union quarterly on any progress at gaining new business work. The parties will meet quarterly, if needed, during the New Business Pilot to review the new business workload and work that has been contracted out. Inspection of work that is contracted out will continue to be performed by the PG&E bargaining unit.
- 5. The Company will not eliminate prearranged overtime assignments in headquarters that are contracting out new business work. Prior to the use of the lack of work provisions of Title 206 and/or 306 in the relevant departments, Company shall first eliminate all use of new business contracting and hiring hall in that department.

This letter agreement may be cancelled by providing the other party 60 days advance notice.

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

Bv.

Stephen A Rayburn

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

Nov- 15, 2004

PernyZimmerman

Business Manager