



LETTER AGREEMENT NO. R1- 00-13-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

May 30, 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:

This will confirm discussions between the parties concerning the application of Letter Agreement 00-01 as it relates to the end of the displacement process for employees assigned to Phase I steam plants. As you know, the agreement in LA 00-01 was reached to allow Phase I steam department employees to receive their Title 206 assignments early so that they could consider the Early Retirement Incentive (ERI) and possible job offers from the new plant owners at the same time. The Company will not implement Title 206 at Phase II steam plants due to displacements from Phase I steam plants.

As the number of steam employees who choose to exercise their Title 206 assignment by reporting to the new work location on or after July 1 will obviously be less than the number of employees who received assignments, the parties have agreed to the following:

- 1) only the most junior employees in a receiving department classification and location will be displaced based on the number of steam employees who actually report for work on or after July 1. For example, if there were 6 employees in a classification and location that were impacted, and only 4 steam employees reported for work on or after July 1, only the most junior 4 employees would be considered displaced and would subsequently receive Title 206 notice. The remaining two employees would be unaffected.
- 2) the number of employees to be displaced in a receiving department will be reduced by allowing more senior employees in the same classification, department and location to volunteer for layoff. This is accomplished by the more senior employee indicating on their Title 206 Employee Election Form the desire to take the place of a more junior employee and select layoff and receive the severance package. The number allowed to chose layoff in this manner will not exceed the number of steam employees who report for work on or after July 1 in a receiving department classification and location.

- 3) a receiving department may decide to absorb some number of displacing steam employees rather than continue with further layoffs or displacements and employees originally impacted would be considered unaffected.

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

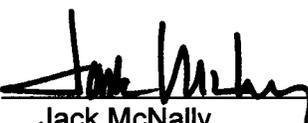
By: 

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

Aug 18, 2000

By: 

Jack McNally
Business Manager