

LETTER AGREEMENT NO. R1-01-45-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, DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN, BUSINESS MANAGER

September 25, 2001

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:

In order to accommodate the transition and start-up phase of CorDaptix® (CIS Plus), the Company proposes, pursuant to Subsection 10.7(b) of the Clerical Agreement, to establish one temporary shift at the Stockton Credit and Records Center. The shift is expected to last approximately two years.

The Company is also providing notice that the Stockton Credit and Records Center will make a permanent hours change from 7:30 a.m. to 4:00 p.m. to 7:00 a.m. to 3:30 p.m. for all Center employees.

Operationally, all available office space at the Stockton Credit and Records Center has been maximized, and there is no adjacent space available for expansion. Additionally, maximizing the current facility's equipment/building is a more prudent use of the Company's finances while in bankruptcy. In order to meet training and transitional deadlines, an implementation date of October 15, 2001 is needed.

Temporary Shift: 4:00 p.m. - 12:30 a.m., Monday-Friday:

This shift will consist of approximately 70 Utility Clerks performing basic Utility Clerk records-related functions. Job offers will be made to new Utility Clerks for this shift. In addition, volunteers from existing Records Utility Clerks will also be solicited to fill this shift. The Company will not force employees onto this shift. However, in the event needed staffing levels are not achieved through new hires or volunteers, Company will make assignments as necessary to the most junior Utility Clerks located at the center. This temporary shift is needed through December 31, 2003.

This proposal has been discussed with Arlene Edwards, local Business Representative.

The agreement may be canceled by providing 30 days written notification of cancellation.

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:

Stephen A. Raybur

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

Sept 27, 2001

Rv.

Zimmerman

Business Manager