

WE DELIVER ENERGY."

LETTER AGREEMENT NO. R1-01-53-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

October 26, 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

Gentlemen:

The critical status of the Operators at the De Anza, Edenvale, Golden Gate and Metcalf Electric Control Centers will expire on December 31, 2001. Company proposes extending the critical status at these four headquarters to June 30, 2002. Furthermore, the Company also proposes to initiate critical status at the Newark Electric Control Center headquarter from January 1, 2002 through June 30, 2002, due to continued staffing issues.

The Operators at De Anza, Edenvale, Golden Gate and Metcalf whose critical status expires on December 31, 2001, will have from November 19, 2001 through December 1, 2001 to renew their critical status. During that time period, the 8% critical premium will continue. Operators who do not extend their critical status beyond December 31, 2001 will no longer receive the 8% premium and will have bidding rights restored.

The operators currently headquartered at Newark Control Center will be given the opportunity to sign up for critical status during the period of November 19, 2001 through December 1, 2001. Those operators electing to sign up for critical status will receive the 8% critical premium commencing January 1, 2002 and will have their bidding rights restricted through June 30, 2002. Newark Control Center Operators who do not elect to sign for critical status will not receive the 8% critical premium, and will continue to have unrestricted bidding rights. IBEW Local Union No. 1245

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Company also proposes that any new employees bidding or transferring into the department will be designated as critical. These new employees would receive critical status only for the remainder of the proposed critical period ending June 30, 2002, rather than having the full three-year commitment.

This has been discussed with Business Representatives Bill Brill and Bernard Smallwood.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By:

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

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By: neimar Business Manager