



LETTER AGREEMENT NO. R1-02-09-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

June 11, 2002

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 Hydro and Water departments have not filled apprentice or Utility Worker positions in a number of years. In the past, Utility Workers who were 205.7(b) bidders in the Bidding Unit and Line of Progression have been available to fill apprentice vacancies. Utility Workers in the departments are an excellent source for apprentice candidates because they have had the opportunity to become familiar with the departments' facilities and the work. The Hydro and Water departments anticipate filling apprentice vacancies and propose to fill Utility Worker positions that will become the ready pool of bidders for the respective apprentice positions.

In order to more quickly fill expected apprentice vacancies from Hydro or Water Department Utility Workers, the Company proposes the following pursuant to Section 205.19 of the Agreement.

For 18 months following the execution of this agreement, all Title 200 Utility Workers hired or transferred into the Hydro or Water Department shall attain 205.7(b) status to the next higher apprentice position in the Line of Progression after 6 months in the position, regardless of their wage step. Current Utility Workers in the Hydro or Water Department are also eligible for the provisions of this agreement. For example, an employee hired during the 18 months of this agreement will be eligible to bid at the end of six months and will be a Subsection 205.7(b) bidder for up to 24 months following the execution of this agreement.

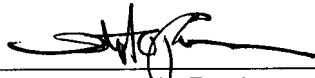
Attached is a temporary Line of Progression for Utility Workers filling the apprentice positions. For the purpose of this agreement only, Water and Hydro Maintenance are considered the same department.

Either party may cancel this agreement by providing 30 day written notification.

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,

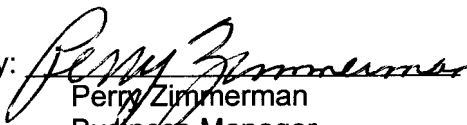
PACIFIC GAS AND ELECTRIC COMPANY

By: 
Stephen A. Rayburn
Director & Chief Negotiator

The Union is in accord with the foregoing and it agrees thereto as of the date hereof.

LOCAL UNION NO. 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

July 5, 2002

By: 
Perry Zimmerman
Business Manager

2067 Apprentice Water Systems Repairperson

Next Lower Classification:

0922 Utility Worker (Helms)
0945 Utility Worker (Water)
0925 Utility Worker (Hydro – only)
0921 Utility Worker – (Drum)

0481 Apprentice Electrician

Next Lower Classification:

0922 Utility Worker (Helms)
0945 Utility Worker (Water)
0925 Utility Worker (Hydro – only)
0921 Utility Worker – (Drum)

1141 Apprentice Electrical Machinist

Next Lower Classification:

0922 Utility Worker (Helms)
0945 Utility Worker (Water)
0925 Utility Worker (Hydro – only)
0921 Utility Worker – (Drum)

2630 Apprentice Welder

Next Lower Classification:

0922 Utility Worker (Helms)
0945 Utility Worker (Water)
0925 Utility Worker (Hydro – only)
0921 Utility Worker – (Drum)