



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. R1-04-42-PGE

IBEW



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

September 16, 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 accordance with Section 205.19 of the Physical Agreement, Company proposes to retest Meter Readers Jeff Kaiser and Alex Areneda on the Final Exam for the Gas Service Representative Training Program. Agreement to this retest would exempt the Company from delaying the test pending completion of the next scheduled class as outlined in Paragraph B.3. of the Gas Service Representative's Training, which is scheduled to begin on October 4, 2004.

The employees are top bidders for vacancies in Lodi (Kaiser) and Cupertino (Areneda) and previously took and failed the exam in 2003. Given the delay in scheduling a Gas Service Representative Training School, this is the first opportunity offered to allow them to qualify for the vacancies. The Company understands that more training classes are needed and fully expects to avoid this from occurring in the future given the expected staffing of Gas Service Representative classifications.

This proposal has been discussed with Business Representatives Bill Brill for Areneda and Gary Hughes for Kaiser.

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
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

By: _____

Perry Zimmerman
Business Manager

Sept 23, 2004