



October 2, 1997

**PG&E COMPANY EMPLOYEES:**

PG&E Company and IBEW Local 1245 reaffirmed today their commitment to continue the labor-management partnership process that was established in April 1995 to address issues related to the maintenance and operation of gas and electric systems to ensure the delivery of safe, reliable, and responsive service to PG&E customers.

The principles of Letter Agreement 94-53 will be utilized to establish labor-management cooperation committees to address the following issues:

- Determine the labor force required to deliver safe, reliable, and responsive service, and to address issues related to storm response, infrastructure maintenance, etc.
- Determine appropriate Performance Based Ratemaking targets to be used in future CPUC proceedings.

PG&E Company and IBEW Local 1245 reaffirm their commitment to work together in a collaborative manner to address issues critical to PG&E's ability to compete now and in the future, and to promote profitability for PG&E, and employment and income security for PG&E employees. It is in our mutual best interest - the company's, the union's, and the employees' - to ensure PG&E's success.

GORDON R. SMITH  
President and CEO  
PG&E Company

JACK McNALLY  
Business Manager  
IBEW Local 1245

Pacific Gas and Electric Company

77 Beale Street  
P.O. Box 770000  
San Francisco, CA 94117  
415/973-7000

April 5, 1995

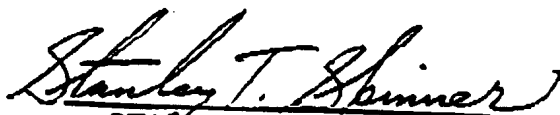


**PG&E EMPLOYEES:**

PG&E and IBEW Local 1245 agreed today to begin a new process of dialogue to address issues related to a new labor-management partnership to maintain and operate the gas and electric systems to ensure the delivery of safe, reliable, responsive service to PG&E customers. Specifically, to begin this process:

1. PG&E rescinds the current 206 and 306 activity within Customer Energy Services. Customer Energy Services employees who received 206 or 306 notices and bid or transferred to other classifications will be allowed to return to their previous classifications and headquarters if they choose to do so within 15 days after notification.
2. The current 206 and 306 process will continue in other business units. However, the company and union will immediately begin discussing the change in displacement options for employees in other business units resulting from rescission of the 206 and 306 notices to Customer Energy Services employees.
3. The principles of Letter Agreement 94-53 will be utilized to establish labor-management cooperation committees to address the following issues:
  - a) Determine the labor force required to deliver safe, reliable, and responsive service, and address issues related to storm response, infrastructure maintenance, etc.
  - b) Determine appropriate Performance Based Ratemaking targets to be used in future regulatory proceedings (i.e., CPUC).
  - c) Other issues as agreed to.

PG&E and IBEW Local 1245 will jointly use expert external consultants for the above.

  
STANLEY T. SKINNER  
President and CEO  
PG&E

  
JACK McNALLY  
Business Manager  
IBEW Local 1245



# LETTER AGREEMENT

## No. 94-53-PGE



Pacific Gas and Electric Company  
Industrial Relations Department  
201 Mission Street, 1513A  
San Francisco, California 94105  
[415] 973-3420

International Brotherhood of  
Electrical Workers, AFL-CIO  
Local Union 1245, IBEW  
P.O. Box 4790  
Walnut Creek, California 94596  
[415] 933-6060

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Ronald L. Bailey, Manager or  
David J. Bergman, Director and Chief Negotiator

Jack McNally, Business Manager

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June 23, 1994

Local Union No. 1245  
International Brotherhood of  
Electrical Workers, AFL-CIO  
P. O. Box 4790  
Walnut Creek, CA 94596

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Based on changes which have occurred in the Company's organization and in recognition of the need to provide opportunities for labor management forums more closely aligned with the Company's structure, Company proposes to expand Section 8.4 of the Physical Agreement and Section 21.4 of the Clerical Agreement, to provide for a broader base of bargaining unit participation.

Company proposes that such committees be established and be subject to the provisions of Title 8 of the Physical Agreement and Title 21 of the Clerical Agreement as they apply to the existing Summary and Withdrawal provisions of Labor-Management Cooperation. The committees will have the authority to establish sub-committees and can make joint recommendations, relative to the collective bargaining agreement, through the Manager of Industrial Relations and Union Business Manager, for Action Forum or Ad Hoc negotiations.

In order to provide a consistent approach and to address concerns of the Company, the Union, and bargaining-unit employees, Company proposes that upon notification of interest in establishing a committee, Union will appoint a Union representative to work with local management to develop a charter for the committee. All requests will initially be sent to Company's Manager of Industrial Relations and Union's Business Manager for their review and agreement. Such charter will include provisions to:

- a) establish an equal number of participants of management and bargaining -unit members;
- b) determine the frequency of meetings and their location;
- c) require that the committee have co-chairpersons and a secretary;
- d) prepare and generate timely resumes of each meeting, prepared by the secretary and approved by the co-chairpersons;
- e) require that any recommendation by a labor management committee must be in writing and agreed to by the co-chairpersons for submission to the Company's Manager of Industrial Relations and Union's Business Manager; and
- f) contain a cancellation clause.

Further, it is suggested that the parties develop any other details in addition to those listed above that are appropriate for the involved area, including such items as the establishment and method of appointment of various committees and teams, involvement of Union's representatives and meetings with Union's membership, and reporting procedures.

IBEW, Local 1245

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It is also understood that the participation of bargaining unit members in these committees will be considered as time worked and will not preclude them from participating in local labor management meetings.

Either party upon giving 30 days written notice may cancel this agreement.

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 Company.

Sincerely,

PACIFIC GAS AND ELECTRIC COMPANY

By   
Director and Chief Negotiator

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

LOCAL UNION 1245, INTERNATIONAL  
BROTHERHOOD OF ELECTRICAL  
WORKERS, AFL-CIO

June 24, 1994

By   
Business Manager