



**Pacific Gas and
Electric Company**

WE DELIVER ENERGY.™

Industrial Relations

2850 Shadelands Drive, Suite 100
Walnut Creek, CA 94598

925.974.4166
Fax: 925.974.4289

September 8, 2000

RECEIVED SEP 11 2000

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Dear Mr. McNally:

Company is proposing Letter Agreement R3-00-31 with the understanding that the parties will establish a two person committee to review hiring hall employees terminated for cause as not eligible for rehire. Details and procedures will be developed by the parties along with other proposed changes to the Hiring Hall Letter Agreement to be completed no later than the end of the year.

Sincerely,

Stephen A. Rayburn
Manager and Chief Negotiator
Industrial Relations

SAR:bkw



**Pacific Gas and
Electric Company**

WE DELIVER ENERGY

LETTER AGREEMENT NO. R3-00-31-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 4790
WALNUT CREEK, CALIFORNIA 94598
925-933-6080

STEPHEN A. RAYBURN, MANAGER
AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

September 8, 2000

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Dear Mr. McNally:

Under the provisions of the 1999 general negotiations settlement, the Company and Union agreed to the conversion of Hiring Hall Meter Reading positions into regular status. The Company agreed to fill Meter Reader positions in order to attain a system-wide ratio of at least 85% regular full-time Meter Reader positions compared to hiring hall positions. The Company has identified the need to staff approximately 740 Meter Reader positions. Using the 85% staffing ratio, 629 positions would be regular and 111 hiring hall. Currently there are 389 hiring hall employees and 278 of these hiring hall positions need to be converted to regular status.

The following sequence will be utilized in filling these regular Meter Reader positions:

- (1) Employees exercising "a" preferential bidding rights;
- (2) Employees who submit transfer requests using the regular provisions of Title 205;
- (3) Unrestricted appointments by the Company, including the consideration of Hiring Hall Meter Readers.

Recognizing the skill levels of current Hiring Hall Meter Readers, the Company is proposing to hire individuals who have prior hiring hall experience in excess of six months based on the most recent period of employment be credited with such time worked and placed at the appropriate wage step. For example, a Hiring Hall Meter Reader with 19 months of time worked, that is hired as a Meter Reader would be placed at the 18 month step with one month credit towards the next step.

This agreement will apply to all individuals who are hired into regular bargaining unit positions in which they have prior hiring hall experience. This agreement shall be for pay purposes only and shall have no impact on such areas as job bidding, job demotion and lay off, benefits or status.

Current Hiring Hall Meter Readers will be given the opportunity to indicate their interest in a regular Meter Reader position. The Company reserves the right to determine which Hiring Hall Meter Readers will be offered regular positions with PG&E. These Hiring Hall Meter Readers must successfully complete the PG&E pre-employment screening process before being eligible for regular employment.

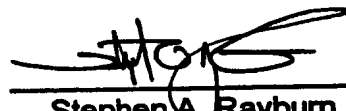
This agreement may be canceled by providing 30 days written notification of cancellation.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By:



Stephen A. Rayburn
Manager 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:



Jack McNally
Business Manager

Sept 15, 2000