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REVIEW COMMITTEE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
201 MISSION STREET, ROOM 1508
MAIL CODE P15B
P.O. BOX 770000
SAN FRANCISCO, CALIFORNIA 94177
(415) 973-8510

**CASE CLOSED
FILED & LOGGED**

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060
R.W. STALCUP, SECRETARY


MARGARET A. SHORT, CHAIRMAN

- DECISION
- LETTER DECISION
- PRE-REVIEW REFERRAL

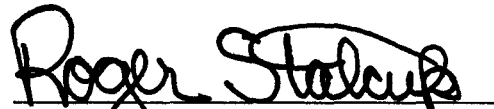
**Business Manager's Grievance No. IR-IBEW-94-10
Arbitration No. 203**

Grievance Issue: This case concerned the appropriate means of determining the cap for the number of part-time clerical employees that the Company is able to employ. The dispute was resolved by Letter Agreement 94-80.

Discussion and Disposition: Based on the foregoing, this case is closed without adjustment.



Margaret A. Short, Chairman
Review Committee



Roger W. Stalcup, Secretary
Review Committee

11/10/95

Date

11/10/95

Date



LETTER AGREEMENT NO. R2-94-80-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
201 MISSION STREET, ROOM 1513A
MAIL CODE P15A
P.O. BOX 770000
SAN FRANCISCO, CALIFORNIA 94177
(415) 973-3425

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

RONALD L. BAILEY, MANAGER OR
DAVID J. BERGMAN, DIRECTOR AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

September 22, 1994

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

Gentlemen:

Company has conducted an analysis on workforce requirements based upon reorganization and competitive issues. This analysis indicates that further reductions in workforce are warranted. Accordingly, in order to reduce the workforce and minimize disruption to employees and Company operations, Company proposes to implement a Voluntary Retirement Incentive (VRI) program as detailed in the attached Special Exhibit O of the Benefit Agreement. Under this proposal, the VRI will be offered to all physical and clerical bargaining unit employees who meet the eligibility criteria defined in the attached Special Provision O. In order to minimize disruption to active PG&E employees, Company proposes that employees who have elected to retire under this special Provision O be exempted from the application of Titles 205 and 18.

This agreement is contingent upon approval of the VRI Program by PG&E's Board of Directors. This agreement is also contingent upon the following:

1. A reduction in the department floor numbers under Letter Agreement No. 88-104 equal to the number of employees electing this VRI.
2. As of December 31, 1993, calculate ten percent of the full-time clerical bargaining unit. To this number will be added seventy-five percent of the total number of clerical bargaining unit employees who voluntarily leave the Company from September 1, 1994 through December 31, 1994. The number of full-time regular employees who voluntarily leave will include those accepting VRI, Voluntary Severance Incentive (VSI), those employees taking normal retirement and those employees resigning. Employees who accept VRI or VSI and who are extended into 1995 will be considered as having left by December 31, 1994.

The new maximum percentage will be the above sum divided by the full-time clerical bargaining unit on December 31, 1994.

3. Recognizing the need to continually restructure and reorganize and to respond quickly in an ever changing utility environment, Company proposes the formation of a Union and Company joint study team to be convened subsequent to the completion of the displacement activity which will occur following this proposed VRI. It is anticipated that this displacement activity will be completed in third quarter of 1995. This team will review Titles 206, 306 and 19 of the Agreements with the charter of developing joint recommendations to address the interests of both parties concerning the application of the displacement and demotion process.

In addition, the parties are in agreement on the need to enhance the displacement options between Titles 300 and 200. Therefore, prior to displacements occurring in 1995, discussions on methods of allowing employees to move to Title 300 or Title 200 will be held by the parties.

If you are in accord with the foregoing and attachment 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,

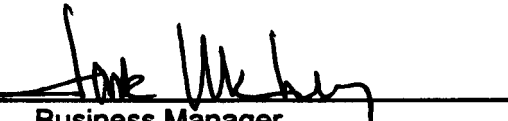
PACIFIC GAS & ELECTRIC COMPANY

By: 
Director and 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

Sept 22, 1994

By: 
Business Manager

SPECIAL PROVISION O

I. Introduction

This Special Provision O, an amendment to the COMPANY'S RETIREMENT PLAN, authorized by the COMPANY'S Board of Directors on September 21, 1994, is the controlling and definitive statement of the Voluntary Retirement Incentive program ("VRI"). The purpose of the VRI is to reduce a surplus of COMPANY EMPLOYEES. The VRI is a part of the RETIREMENT PLAN, and except as otherwise provided in this Special Provision O, shall be administered in accordance with and subject to the terms of the RETIREMENT PLAN. Terms in all capitals are defined in Section 3.22 of the RETIREMENT PLAN. Terms underlined are defined in Section VII of Special Provision O.

The decision of an Eligible Employee to elect to participate in the VRI is wholly voluntary, and an election not to participate in the VRI shall in no way affect benefits under the RETIREMENT PLAN to which an Eligible Employee might otherwise be entitled.

II. Eligibility to Participate in the VRI

An Eligible Employee shall be any active EMPLOYEE of the COMPANY represented by the International Brotherhood of Electrical Workers, Local 1245, or Engineers and Scientists of California, MEBA, AFL-CIO, who was born on or before September 30, 1944, and has at least 15 years of SERVICE on September 30, 1994. For purposes of this VRI only, the term active EMPLOYEE shall not include an EMPLOYEE of the COMPANY (i) who, on September 30, 1994, is presently receiving benefits under Part B of the Group Life Insurance and Long Term Disability Plan; (ii) who is on a leave of absence, with or without pay, which began on or prior to March 30, 1994; (iii) who elected to retire under Special Provision M of Part I of the RETIREMENT PLAN or Special Provision N of Part II of the RETIREMENT PLAN; (iv) who has received severance benefits under the COMPANY'S Workforce Management Program, Letter Agreement No. 93-42-PGE and Letter Agreement No. 93-23esc, or under any other written agreement between the COMPANY and the EMPLOYEE in which the EMPLOYEE has received benefits in connection with the termination of such EMPLOYEE'S employment; or (v) who is a former EMPLOYEE whose ACTUAL RETIREMENT DATE was July 1, 1994, or earlier.

III. Election to Participate

An Eligible Employee must elect to participate in the VRI by completing and signing the VRI enrollment and waiver

and release forms provided by the COMPANY and returning the completed forms to a designated COMPANY representative no later than November 21, 1994. An Eligible Employee who fails to submit timely both enrollment and waiver and release forms shall be deemed to have elected not to participate in the VRI. The election of an Eligible Employee not to participate in the VRI, whether through failure to timely submit VRI election and waiver and release forms or otherwise, shall be conclusive and binding on the EMPLOYEE, EMPLOYEE'S spouse, heirs, and assigns.

IV. VRI Benefit

- A. Basic VRI Benefit. An Eligible Employee who elects in a timely manner to participate in the VRI shall be entitled to receive a Basic VRI Benefit under the RETIREMENT PLAN equal to the BASIC PENSION benefit formula calculated under Subsection 3.06(a) with the following adjustments:
1. BASIC WEEKLY PAY shall mean the PARTICIPANT'S BASIC WEEKLY PAY on September 30, 1994;
 2. SERVICE shall mean the PARTICIPANT'S SERVICE as of last VRI Retirement Date for such Eligible Employee, increased by three years;
 3. The EARLY RETIREMENT PENSION reduction provisions of Subsection 3.07(b) shall not apply to any Basic VRI Benefit payable under this Special Provision O.
- B. A Basic VRI Benefit shall be payable as of the VRI Retirement Date and shall be paid as soon as practicable after the applicable VRI Retirement Date. Eligible Employees who elect to participate in the VRI shall not be subject to the age 55 requirement contained in Section 3.08.
- C. Section 3.10 of the RETIREMENT PLAN shall control the conditions under which other forms of pension may be substituted for the Basic VRI Benefit. Thus, although a PARTICIPANT is entitled to receive a Basic VRI Benefit, if the PARTICIPANT is married, Subsection 3.10(b) of the RETIREMENT PLAN requires that the Basic VRI Benefit be converted to a MARITAL PENSION, unless the PARTICIPANT'S spouse consents to an alternative form of pension.

- D. The Basic VRI Benefit payable under this Special Provision O shall be in lieu of any benefit which might otherwise be payable under the RETIREMENT PLAN.
- E. A PARTICIPANT who elects to participate in VRI shall also be entitled to make the elections provided in Sections 3.10 (Forms of Pension), 3.12 (Withdrawal of Participant Contributions on Termination of Employment), 3.13 (Death Benefits), and 3.14 (Facility of Payment).

V. VRI Retirement Dates

At such time as an EMPLOYEE elects to participate in the VRI, he shall select a VRI Retirement Date. For purposes of this Special Provision O, a VRI Retirement Date shall mean one of the following:

- A. January 1, 1995; or
- B. The first of any month during the period commencing with February 1, 1995, and ending with and including January 1, 1996. This Subsection B shall only apply in the event that the COMPANY has a demonstrated business need which requires the retention of the Eligible Employee. The selection of any such VRI Retirement Date subsequent to January 1, 1995, can be made only with the written approval of the COMPANY'S Chief Executive Officer.

The VRI Retirement Date selected shall also be the date as of which an Eligible Employee ceases to be an EMPLOYEE of the COMPANY.

VI. Revocation of Election

An Eligible Employee who has elected to participate in the VRI may revoke his election, provided, however, that any such revocation shall only be effective if received by the COMPANY on or before November 28, 1994.

VII. Definitions

- A. Basic VRI Benefit: The benefit calculated under Section IV of this Special Provision O.
- B. Eligible Employee: An EMPLOYEE of the COMPANY who has met the eligibility criteria as set forth in

Section II. Employees of Pacific Gas Transmission Company, PG&E Enterprises, Pacific Service Employees Association, and any other subsidiary or affiliate of the COMPANY are not Eligible Employees for purposes of this VRI.

- C. VRI: The COMPANY's Voluntary Retirement Incentive program as set forth in this Special Provision O.
- D. VRI Retirement Date: The date selected by an Eligible Employee under Section V of this Special Provision O.

[GPE1A:VRIProvO.un]