



LETTER AGREEMENT NO. 99-23-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

RICK R. DOERING, MANAGER
AND CHIEF NEGOTIATOR

JACK McNally, BUSINESS MANAGER

April 22, 1999

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:

We recently became aware of a situation concerning a rehired retiree, Joan Hax (562-48-1251). Ms. Hax was laid off on July 1, 1994, and elected to begin receiving her retirement benefits effective August 1, 1994. At the time of her layoff, Ms. Hax was placed on the 30-month re-hire list and was re-employed on August 9, 1995. At the time of her reemployment, Ms. Hax allegedly was told that her service would be bridged since she was rehired within thirty months of being laid off.

Ms. Hax requested information from the Company on several occasions as to how her current benefits are calculated. Letter Agreement 97-113-PGE, effected on September 26, 1997, outlines the benefit entitlement for rehired retirees. In looking at Ms. Hax' situation, we found that there were some inconsistencies in the handling of her benefits. In the case of sick leave and vacation, it appears that her original hire date was used to derive her annual allotment (inconsistent with the provisions of L/A 97-113-PGE). With respect to a second retirement; Ms. Hax was told by the Benefits department that retirement is considered a "break in service" and, as such, a second pension would be calculated when she retires from PG&E a second time (consistent with the provisions of L/A 97-113-PGE). Nonetheless, from Ms. Hax's perspective, she is unclear as to why her service was bridged for some benefits and not others.

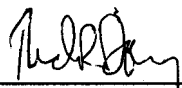
Given her particular circumstances, and the fact that Letter Agreement 97-113-PGE was effected after her reemployment with PG&E, the Company proposes to bridge Ms. Hax's service for the purposes of retirement upon her second termination from the Company.

This proposal is specific to the situation described above and is non-precedential. The provisions of Letter Agreement 97-113-PGE applies to all rehired retirees. Under the provisions of the Retirement Plan, the day an employee elects to retire is considered a Severance From Service Date. While Letter Agreement 97-113-PGE outlines the benefits that rehired retirees would receive upon reemployment with the Company, the plan document which governs the Retirement Plan has always been specific as to the conditions under which service is bridged.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Rick R. Doerjng, 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

 1999

By: 
Jack McNally
Business Manager