



LETTER AGREEMENT NO. R3-99-26-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 94596
925-933-6060

RICK R. DOERING, MANAGER
AND CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

23 April 1999

Pacific Gas and Electric Company
2850 Shadelands Drive, Suite 100
Walnut Creek, California 94598

Attention: Mr. Rick R. Doering
Manager and Chief Negotiator

Dear Mr. Doering:

The Company has advised Union of an IRS problem involving the offering of a severance benefit concurrently with the Special Retirement Benefit. It is apparently the opinion of the IRS that the Special Retirement Benefit would be subject to immediate taxation when offered in conjunction with the severance offering.

Letter Agreement 97-53 provides for the offering of the Special Retirement Benefit at the conclusion of the administration of Title 206 and to be offered at the same time the severance benefit is offered. Given the foregoing opinion relative to the IRS and the offering, the parties established a sub-committee to address the issue.

Company's members were John Moffat, Terry Nelson, and Jeff Delaney. Union's members were Tom Dalzell, Roy Runnings, Larry Crawford, Mike Farmer, and Mark Knaup.

The subcommittee's recommendation would be applied only to current employee reduction activity at the Geysers Power Plant, Potrero Power Plant, Pittsburg Power Plant, Contra Costa Power Plant, Moss Landing Power Plant, and Morro Bay Power Plant, and is not applicable to any other activity in the future.

The recommendation is:

Subsequent to the severance offering of Application 1 of Letter Agreement 93-42 and prior to the implementation of Title 206, the Special Retirement Benefit as contained in Letter Agreement 97-53 will be offered as follows:

- Company will determine the classifications, the number of employees within a classification, and the locations where the Special Retirement Benefit will be applicable.
- Seniority will be the determining factor where the number of volunteers exceed the allowable number of participants. However, the Company will attempt to accommodate volunteers in the selected locations and classifications.
- Employees initially electing the Special Retirement must notify the Company of their election by April 30, 1999.
- There is not to be any other Special Retirement application to the current employee reductions.

This accord does not alter any other agreement between the parties.

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

Very truly yours,

IBEW LOCAL UNION 1245, INTERNATIONAL
BROTHEROOD OF ELECTRICAL WORKERS, AFL-CIO

By: 
Business Manager

PACIFIC GAS AND ELECTRIC COMPANY

4-23-99, 1999

By: 
Manager and Chief Negotiator