

Line

Martin, Lita

From: Mitchell, Darrel
Sent: Friday, July 21, 2000 12:16 PM
To: Rayburn, Stephen
Cc: Administrative Staff; PG&E Representatives; Martin, Lita; Wythe, Robin
Subject: Retiree Medical Premiums

Mr. Rayburn:

Confirming discussions between IBEW Local 1245 and Pacific Gas and Electric Company, please be advised parties have agreed to the following applications regarding employees who retire under the provisions of the Company's Retirement Plan prior to such employee's normal retirement date with respect to Company's payments of medical premiums:

- Company will cap the amount it will contribute to medical premiums in the year 2000;
- The cap will be based upon the 2000 premium equivalents for the PG&E Medical Plan that is administered by United Healthcare for active employees and retirees under 65;
- This cap shall be applicable regardless of the medical plan the retiree is enrolled in;
- This benefit is applicable for any individual that has a vested pension and leaves the company at or after their earliest available retirement date regardless of when such employee elects to start receiving retirement benefits.

Please advise immediately if you disagree with any of the foregoing or have any modifications.

Yours truly,
Darrel Mitchell

(Lita: for contract index)