

LETTER AGREEMENT NO. 00-01-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

January 7, 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

Gentlemen:

A Generation 94-53 committee was established in early November 1999 to address transition issues arising from the end of the O&M agreement for divested steam power plants. One area of key concern is the timing and coordination of the various employment and severance opportunities that may be available to employees from divested plants, in particular those from phase I plants (Moss Landing and Morro Bay) whose O&M agreement will end June 30, 2000.

In order to more closely coordinate the offering of employment and severance options for employees in phase I plants, the following process is proposed:

1. Title 206 assignments will be made for Steam Generation department employees from Phase I plants during the Early Retirement Incentive (ERI) 30 day offer period so that employees may consider both opportunities at the same time. Further, it is the parties intent that these offers overlap the job offer period of the owner of the phase I plants. This period is tentatively scheduled to begin on or about February 1.

- 2. To facilitate the coordination of opportunities, the following will be done:
 - a) employees who accept the ERI will be released at the end of the O&M period
 - b) employees who are assigned to positions under Title 206 will have report dates delayed until the end of the O&M period, although for the purpose of any future displacement activity, an employee will be considered as being in the position to which he or she was assigned.
 - c) employees who are displaced by employees from phase I plants will be notified, but Title 206 assignments will not be developed for such employees until sometime after the end of the O&M period.
 - d) Only those Hiring Hall positions at other steam and nuclear power plants, that will continue beyond the end of the O&M period for the phase 1 plants will be considered as regular job vacancies for the purpose of Title 206.
- 3. Company will conduct informational meetings with all affected employees to explain and discuss the various benefit programs available to employees.

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

Chief Negotiator

LOCAL UNION NO. 1245, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

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By: Business Manager