



LETTER AGREEMENT NO. 01-31-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

STEPHEN A. RAYBURN, DIRECTOR
AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

June 13, 2001

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:

Attached is a revised Severance Agreement and Release which amends the current Severance Agreement and Release contained in Letter Agreement No. 01-17-PGE. This revised Severance Agreement will be used for employees who have already left the Company as a result of the Phase II Steam displacement process.

If you are in accord with the foregoing 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: Stephen A. Rayburn
Stephen A. Rayburn
Director 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

June 18, 2001

By: Jack McNally
Jack McNally
Business Manager



SEVERANCE AGREEMENT AND RELEASE

This Severance Agreement and Release is made and entered into between Mr./Ms. _____ and the Pacific Gas and Electric Company (PG&E). Mr./Ms. _____ and PG&E (collectively referred to as "the parties"), in their wish to compromise, resolve, settle, and terminate any dispute or claim between them with respect to Mr./Ms. _____ employment with PG&E and severance therefrom, have agreed as follows:

1. Effective close of business, _____, Mr./Ms. _____ was laid off from PG&E employment.
2. Within fourteen (14) calendar days after the effective date of this Severance Agreement and Release as determined in accordance with paragraph 14 of this agreement, PG&E shall pay to Mr./Ms. _____ the amount of _____, less applicable deductions. Mr./Ms. _____ understands he/she is responsible for paying any taxes on the amount paid to him/her pursuant to this Severance Agreement and Release. The parties understand and agree that the payment provided in this paragraph is in addition to, and does not affect, any payment and benefit to which Mr./Ms. _____ may be otherwise entitled under PG&E's compensation, performance incentive, stock option, and other benefit programs.
3. Mr./Ms. _____ represents that he/she does not have any pending claim, charge or action in or with any federal, state or local court or any administrative agency against PG&E, its officers, attorneys, agents, employees, subsidiaries, parent company, and affiliated companies.
4. In consideration for the payment which PG&E shall provide Mr./Ms. _____ under this Severance Agreement and Release, Mr./Ms. _____ in behalf of his/herself, his/her heirs, estate, executors, administrators, successors, and assigns, releases and agrees to hold harmless PG&E, its officers, attorneys, agents, employees, assigns, subsidiaries, parent company, affiliated companies, and successors, from all actions, causes of action, claims, disputes, judgments, obligations, damages, liabilities of whatsoever kind and character, relating to Mr./Ms. _____ employment with PG&E, including his/her employment severance and any action which led to the severance. Specifically, Mr./Ms. _____ understands and agrees that the actions, causes of action, claims, disputes, judgments, obligations, damages, and liabilities covered by the preceding sentence include, but are not limited to, those arising under any federal, state, or local law, regulation, or order relating to civil rights (including employment discrimination on the basis of race, color, religion, age, sex, national origin, ancestry, physical handicap, medical condition, veteran status, marital status, and sexual

orientation), wage and hour, labor, contract, or tort.

5. Mr./Ms. _____ understands and agrees that this Severance Agreement and Release extends to all claims of every nature and kind whatsoever, known or unknown, suspected or unsuspected, past or present, and all rights under Section 1542 of the California Civil Code are his/herby expressly waived. Such section reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his/her favor at the time of executing the release, which if known to his/her must have materially affected his/her settlement with the debtor.

6. Mr./Ms. _____ agrees not to initiate, participate or aid, in any way, in any lawsuit or proceeding upon any claim released by him/her under this Severance Agreement and Release. Mr./Ms. _____ understands and agrees that, if he/she violates his/her promise in the preceding sentence, he/she has engaged in a material breach of this Severance Agreement and Release. This paragraph, however, shall not prohibit Mr./Ms. _____ from participating in an Equal Employment Opportunity Commission investigation or proceeding, if subpoenaed to do so by the Equal Employment Opportunity Commission. PG&E acknowledges that Mr./Ms. _____ may be legally required to appear and testify at a deposition, court hearing or trial, or otherwise respond to a subpoena. In the event of any such request, Mr./Ms. _____ shall notify PG&E Human Resources of such request.
7. Mr./Ms. _____ represents and agrees that prior to signing this Severance Agreement and Release, he/she returned to PG&E all originals and copies of all files, memoranda, records, software, credit cards, identification cards, keys, and any other property of PG&E or its affiliates which he/she had in his/her possession, custody or control.
8. Mr./Ms. _____ agrees not to use, disclose, publicize, or circulate any secret, confidential or proprietary information concerning PG&E, its subsidiaries, parent company, or affiliates, which has come to his/her attention during his/her employment with PG&E, unless his/her doing so is consistent with any rights he/she may have under any applicable whistleblower laws, is authorized in writing by PG&E's Human Resources Department or is required by law, including subpoena. Before making any legally-required disclosure, Mr./Ms. _____ shall give PG&E as much advance notice as possible. Mr./Ms. _____ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.
9. Mr./Ms. _____ agrees that, if called upon to do so, he/she will cooperate with, and provide reasonable assistance to, PG&E to protect and further its lawful interests in all judicial, administrative, investigative, and legislative proceedings involving PG&E or any aspect of its operations. The parties agree that this paragraph does not affect Mr./Ms. _____'s legitimate exercise of his/her rights under applicable whistleblower laws or his/her obligation to comply with all validly-issued court or administrative orders, including subpoenas. Mr./Ms. _____ further agrees that his/her violation of this paragraph shall constitute a material breach of this Severance Agreement and Release.

10. Mr./Ms. understands and agrees that if he/she engages, or has engaged, in misconduct that would warrant his/her termination of employment under PG&E's employee conduct standards and the collective bargaining agreement's just cause standard, he/she shall forfeit his/her right to sign this Severance Agreement and Release.

11. Any dispute regarding any aspect of this Severance Agreement and Release, including its validity, interpretation, or any action which would constitute a violation of this Severance Agreement and Release (hereinafter referred to as an "arbitrable dispute") shall be resolved by an experienced arbitrator, selected by the parties in accordance with the rules of the American Arbitration Association. The fees of the arbitrator and the cost associated with producing a transcript of the proceedings shall be paid in equal shares by Mr./Ms. _____ and PG&E. The parties agree that arbitration shall be the exclusive remedy for resolving arbitrable disputes and that the decision of the arbitrator shall be final and binding. The judgment rendered by the arbitrator on any award may be entered in any court having competent jurisdiction. The parties agree that this paragraph shall not apply to the lawful exercise of any right Mr./Ms. _____ may have under the Age Discrimination and Employment Act and that such matters shall be governed by the provisions of said Act.

Mr./Ms. _____ understands and agrees that, if he/she initiates a proceeding, other than an arbitration proceeding as described above, to set aside or challenge the validity of this Severance Agreement and Release, he/she shall repay to PG&E the payment he received under this Severance Agreement and Release concurrent with his/her initiation of the proceeding. Mr./Ms. _____'s failure to make the prescribed repayment shall be a basis for rejecting his attempt to set aside or challenge the validity of this Severance Agreement and Release. Mr./Ms. _____ further understands and agrees that, if his/her attempt to set aside or challenge the validity of this Severance Agreement and Release is rejected, he/she shall pay to PG&E any loss, cost, damage, or expense, including, without limitation, attorney's fees PG&E incurred in the proceeding, within seven (7) calendar days from the final decision rejecting his/her attempt. Further, notwithstanding the foregoing, if Mr./Ms. obtains against a monetary judgment or settlement against PG&E for a claim released by him/her under this Severance Agreement and Release, the payment he/she received under this Agreement shall be deducted from any such judgment or settlement. The parties agree that this paragraph shall not apply to the lawful exercise of any right Mr./Ms. _____ may have under the Age Discrimination and Employment Act and that such matters shall be governed by the provisions of said Act.

12. Mr./Ms. _____ agrees that, if he/she engages in a material breach of this Severance Agreement and Release, he/she shall repay to PG&E the payment he/she received under this Severance Agreement and Release within seven (7) calendar days upon written demand by PG&E. The parties agree that this paragraph shall not apply to the lawful exercise of any right Mr./Ms. _____ may have under the Age Discrimination and Employment Act and that such matters shall be governed by the provisions of said Act.

13. This Severance Agreement and Release shall not be considered an admission of liability or a violation of any applicable contract, law, rule, regulation, or order of any kind.

14. Mr./Ms. _____ understands and agrees that all claims he/she may have arising under the Age Discrimination in Employment Act before he/she signs this Severance Agreement and Release are covered by paragraphs 4 and 5 of this Severance Agreement and Release and that his/her waiver of those age discrimination claims is an integral part of the release aspect of this agreement. Therefore, consistent with the Older Workers Benefit Protection Act, Mr./Ms. _____ states that he/she was informed that, when given this Severance Agreement and Release, he/she could take up to 45 calendar days to consider its provisions. Mr./Ms. _____ was also advised that he/she may elect to sign this Severance Agreement and Release before the expiration of the 45-day consideration period, but is under no obligation to shorten the period. Mr./Ms. _____ further understands that, if he/she signs this Severance Agreement and Release by affixing his/her signature and date in the "EMPLOYEE," "Social Security," and "DATE" sections of this agreement below, he/she may revoke it within seven (7) calendar days of the agreement's execution. To revoke this Severance Agreement and Release, Mr./Ms. _____ must submit to the local Human Resources Department, a signed statement to that effect by close of business of the seventh (7th) day. If Mr./Ms. _____ does not timely submit a revocation, this Severance Agreement and Release shall become effective on the eighth (8th) day after the date entered in the "DATE" section below.
15. This Severance Agreement and Release sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter of this Severance Agreement and Release. This Severance Agreement and Release, however, shall not affect any right either party has or may have against the other regarding Worker's Compensation claims and Supplemental Benefit payments made for those claims. The parties agree that this Severance Agreement and Release may not be modified or canceled in any manner except by a writing signed by Mr./Ms _____ and an authorized PG&E official. If any provision of this release is found to be unenforceable, all other provisions will remain fully enforceable.
16. Mr./Ms. _____ states that he/he/she has read this Severance Agreement and Release in its entirety, that he/she has been given the necessary time to consider its contents, that he/he/she fully understands its terms, that he/she has been advised that he/he/she should consult legal counsel of his/her choosing, that the only promises made to him/his/her to sign are those stated herein, and that he/he/she is signing this Severance Agreement and Release voluntarily.

**PLEASE READ CAREFULLY. THIS SEVERANCE AGREEMENT AND RELEASE
INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

PACIFIC GAS AND ELECTRIC COMPANY

EMPLOYEE

Social Security

DATE

DATE