



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 04-56-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
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INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
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STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

November 29, 2004

Mr. Perry Zimmerman, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Zimmerman:

During 2002-03 general negotiations, the parties agreed to changes in the Long-Term Disability (LTD) Plan. To ensure consistency, confirm our understandings in the plan provisions and to ensure the intent of the parties is applied, the Company proposes the following:

- To allow Participants who are represented by and actively working with PG&E's third-party SSDI advocate to comply with the requirements of Section 2.24 on a **voluntary** basis.

As you know, Section 2.24 of the LTD Plan requires Participants who have been approved for LTD benefits **except** those who have been approved for Social Security Disability Insurance (SSDI) benefit, to fully comply with all the requirements of that Section. However, there are Participants who are represented by and actively working with PG&E's third-party SSDI advocate to obtain SSDI benefits (Section 2.19 D). Accordingly, we recommend the first paragraph of Section 2.24 to be revised as follows:

2.24 REQUIREMENTS TO CONTINUE TO RECEIVE LONG-TERM DISABILITY BENEFITS

Participants who have been approved for Long-Term Disability benefits, except those who have been approved for Social Security Disability Insurance benefits *or those who are represented by and actively working with PG&E's third-party SSDI advocate (Section 2.19 D)*, must fully comply with all the requirements of this Section. *If the Participant or the third-party advocate ends representation for any reason, the Participant shall be required to fully participate with Section 2.24 requirements until the Participant has been awarded SSDI benefits, returned to work, or terminated.* Failure to comply with this Section's obligations within the specified time periods shall result in the termination of Long-Term Disability benefits and employment.

- To use the provisions of Subsection 112.10 (c)(3) of the Physical Agreement and Subsection 7.10(b)(3) of the Clerical Agreement in the computation of the pay rates of Participants who return to the active payroll. These Subsections include the following language: "In no case will a partially disabled employee who is placed on the active payroll be paid less than 110 percent of such employee's current LTD rate of pay." This provision is more advantageous than Section 2.24 E of the LTD Plan to the employee and simplifies the computation.

To accomplish this, Section 2.24 E will be revised as follows:

2.24 REQUIREMENTS TO CONTINUE TO RECEIVE LONG-TERM DISABILITY BENEFITS

E. Participant shall accept an offer to any classification for which Participant is qualified (test and medical) ~~that produces a take-home income after taxes of at least equal to the Participant's Long-Term Disability benefit;~~ and that is at the Participant's last regular headquarters or in a headquarters within 45 road miles or 60 minutes automotive travel time from the Participant's current residence or the residence at the time the Participant became disabled, or to a headquarters that exceeds 45 miles/60 minutes to equal the Participant's last regular commute if the Participant's last regular commute exceeds these limits. Participant shall return to the active payroll on the report date designated by the Employer. *Participant shall not receive less than 110% of their current LTD rate when returned to the active payroll.*

- To correct the word "or" to "and" in Section 2.19 G which was a typographical error. This change will make the commutable distance definition in 2.19 G consistent with the commutable distance definition in 2.24 B. Section 2.19 G will be revised, in part, as follows:

2.19 DURATION OF LONG-TERM DISABILITY BENEFITS

G. ...Participant must submit bids and/or transfers to the base classification held prior to LTD or an equivalent classification within 30 days from the date of Company's notification to the Participant's last regular headquarters ~~or~~ and for headquarters within 45 miles/60 minutes travel time from the Participant's current residence or the residence at the time the Participant became disabled. Transfers and bids must also be submitted to headquarters that exceed 45 miles/60 minutes if the Participant's last regular commute exceeded these limits...

- To provide the Participant up to 60 days to return to work after disability ends and the Participant has been notified by the Company as provided for in Section 2.19 G. To clarify the application of this Section, if the Participant does not have 60 days of LTD benefit entitlement remaining at the point in which the Company has sent the Participant a notification, the Participant's benefits and employment will be terminated at the point the Participant's LTD benefits would end.

This Letter of Agreement was discussed at the Long-Term Disability Return-to-Work Ad Hoc Committee meeting on September 24, 2004.

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
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

12-17, 2004

By: 
Perry Zimmerman
Business Manager