

RECEIVED NOV 16 1988

Pacific Gas and Electric Company

215 Market Street  
San Francisco, CA 94016  
415/973-3425

Richard B. Bradford  
Manager  
Industrial Relations

November 15, 1988

88-142-PGE



Mr. Jack McNally  
Business Manager  
IBEW Local Union 1245  
P.O. Box 4790  
Walnut Creek, CA 94596

Dear Mr. McNally:

I am writing to confirm our agreement to provide Additional Retirement Income (ARI) benefits to bargaining unit employees who retired under VRI. As agreed by representatives of the IBEW, and PG&E's Industrial Relations and Benefits departments on September 20, 1988, eligible bargaining unit VRI retirees will receive an adjustment for ARI retroactive to the date of retirement. For this adjustment, the current ARI benefit formula will be used.

We are using the current ARI formula based on premium pay received in the calendar year preceding retirement to contain the administrative burden of calculating these adjustments. The formula in effect during VRI was based on the three highest consecutive years' weekly compensation for temporary upgrades, traveling adjustments, shift premiums, Sunday premiums, and nuclear premiums. It was extremely complex to administer because historical compensation for the covered premiums and adjustments had to be calculated manually by employees in the Payroll Department. Due to the number of retirements under the VRI program, using the new ARI benefit will dramatically reduce the administrative burden of these retroactive calculations.

If you are in agreement with the foregoing, please indicate by signing the enclosed copy of this letter and returning it to me. May we have your response by December 2, 1988.

Sincerely,

A handwritten signature in cursive script that reads "Richard B. Bradford".

VLPerson(972-4978):md

Enclosure

A handwritten signature in cursive script that reads "Jack McNally".  
\_\_\_\_\_  
Jack McNallyA handwritten date "Nov 17, 1988".  
\_\_\_\_\_  
Date