



**LETTER AGREEMENT
NO. 97-112-PGE**

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(510) 974-4282

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

MEL BRADLEY, MANAGER OR
DAVID J. BERGMAN, CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

September 11, 1997

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:

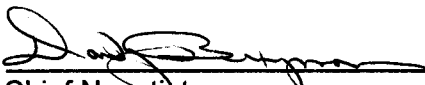
Pursuant to the 1997 Wage Reopener settlement that was reached on June 19, 1996, the Company and Union met on August 22, 1997 and August 28, 1997, to discuss potential pension adjustments as have been provided for in the past in Special Provision G of the Benefit Agreement.

The Company and Union agreed to pension adjustments, subject to Board approval, as outlined in Attachment A. The effective date of these adjustments will be January 1, 1998.

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

By: 
Chief Negotiator

The Union is in accord with the foregoing and agrees thereto as of the date hereof.

Sept 26, 1997 By: 
Business Manager

BENEFIT AGREEMENT

**PART III
RETIREMENT PLAN**

**PENSION ADJUSTMENTS
(Amended 1/1/[94] 98)**

- (a) Effective December 31, 199[3] 7, the Pension of any Participant who actually retired from the bargaining unit represented by Union or the Pension of a person receiving a Spouse's Pension or a Joint Pension, will be increased as follows (subject to Board approval):

Increase

Retired on or before 12/31/78	[9.0%] <u>9.0%</u>
Retired between 1/1/79 and 12/31/[83] <u>86</u>	[5.0%] <u>5.0%</u>
Retired between 1/1/[84] <u>87</u> and 12/31/[89] <u>92</u>	[2.5%] <u>2.5%</u>

A minimum monthly increase of \$50 will be provided to retirees with at least 30 years of Service, and a retirement date at or after normal retirement age. A minimum monthly increase of \$25 will be provided to surviving spouses of such retirees.