

LETTER AGREEMENT NO. R1-98-18-PGE



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

DAVID J. BERGMAN, CHIEF NEGOTIATOR

MEL BRADLEY, MANAGER OR

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

JACK MCNALLY, BUSINESS MANAGER

March 23, 1998

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:

As a result of discussions between Company and Union representatives of the 97-53 Implementation Committee to staff the Moss Landing and Morro Bay Power Plants at the level determined under the conditions of the sale, the following is proposed:

- The severance provisions of Application I of Letter Agreement 93-42 will be offered at these locations limited by Company's determination as to the number of individuals and to classifications.
- The Employee Severance and Displacement Program as provided in Letter Agreement 97-53 shall also be applicable including the \$50,000 final payment. Further, as agreed to by the parties per Letter Agreement 97-53, individuals accepting severance benefits may then apply for pension benefits as 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

Local Union No. 1245, International Brotherhood of Electrical Workers, AFL-CIO

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Business Manager