2850 Shadelands Drive, Suite 100 Walnut Creek, CA 94598 510/974-4282

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March 16, 1998

1- Copy to Staff. 2- Lite to Staff.



Darrel Mitchell, Assistant Business Manager Local Union No. 1245 International Brotherhood of Electrical Workers, AFL-CIO P. O. Box 4790 Walnut Creek, CA 94598

Dear Mr. Mitchell:

Per your telephone conversation with John Moffat , of my staff, we are in agreement with the following application of the Severance Agreement and Release, Exhibit K, Attachment 1, Item 2 of the Clerical Agreement and Exhibit XIV, Attachment 1, Item 2 of the Physical Agreement which states "...is rehired within 30 calendar days of layoff, then PG&E's obligation to pay is null and void." The application for severed employees rehired through the Hiring Hall is that it will not negate PG&E's obligation to pay the severance.

If you have any objections or questions to the above application please contact me as soon as possible.

Sincerely,

David J. Bergman Chief Negotiator

JAM:mh