



**ENGINEERS AND SCIENTISTS OF CALIFORNIA LOCAL 20**  
**INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS**  
**AFL-CIO/CLC**



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March 1, 2010

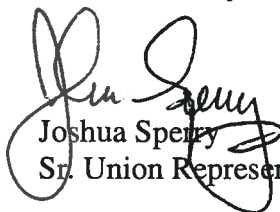
Jeff Delaney, Principal Negotiator  
Industrial Relations  
Pacific Gas and Electric Company  
245 Market Street, Room 243  
San Francisco, CA 94105

Re: LOA 10-02 (Deferred Retirement)

Dear Jeff:

Attached please find a signed copy of LOA 10-02 regarding minor changes to the pension plan affecting employees who work beyond age 70½. ESC is in agreement with the proposed change. I take this opportunity only to reiterate our discussion over the phone that signing this letter in no way prejudices ESC Local 20's position on the general issue of the grievability of pension or other benefits.

Yours sincerely,

  
Joshua Sperry  
Sr. Union Representative

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**PROUD UNION PROFESSIONALS**





Jeffrey M. Delaney  
Principal Negotiator  
Labor Relations and  
Human Resources

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P. O. Box 770000  
San Francisco, CA 94177  
(415) 973-5998  
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10-02-ESC

February 19, 2010

Mr. Joshua Sperry, Senior Union Representative  
Engineers and Scientists of California  
Local 20, IFPTE, AFL-CIO & CLC  
835 Howard Street, 2nd Floor  
San Francisco, CA 94103

Dear Mr. Sperry:

Company proposes to amend the provisions of Section 3.09 Deferred Retirement of the Benefits Agreement dated January 1, 1994 to conform the handling of required minimum distributions under the Company's Retirement Plan to the Internal Revenue Code standard treatment of such distributions as follows:

**3.09 DEFERRED RETIREMENT**

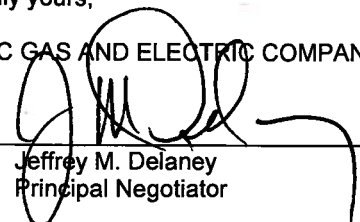
An Employee who continues employment beyond the Normal Retirement Date, as provided for in Section 3.05, shall not be entitled to a Pension until Participant's Actual Retirement Date. **The Plan will apply the minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code in accordance with the regulations under Section 401(a)(9) that were proposed on January 17, 2001. This provision shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.** Any provision of the Plan notwithstanding, if an Employee continues employment beyond the end of the year in which the Employee attains age 70 1/2, Pension payments shall begin no later than April 1 of the year following the year in which the Employee attains age 70 1/2. The amount of the Pension payable shall be the Pension benefit accrued as of April 1 following the end of the year in which the Employee attains age 70 1/2, adjusted for any elections made by the Participant and, any forms of Pension required under section 3.10. (Amended 1/1/89)

This change will eliminate the need for employees who choose to work beyond April 1 of the year after they turn 70 1/2 to begin taking minimum distributions from the Retirement Plan while they are still working.

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 Pacific Gas and Electric Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By:   
Jeffrey M. Delaney  
Principal Negotiator

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

ENGINEERS AND SCIENTISTS OF CALIFORNIA  
LOCAL 20, IFPTE, AFL-CIO and CLC

By:   
Joshua Sperry  
Senior Union Representative

3/1, 2010