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POINT OF VIEW

COMPANY LETTER

PACIFIC GAS AND ELECTRIC COMPANY

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J. WAYLAND SONBRIGHT
MANAGER
INDUSTRIAL RELATIONS

10-2-87

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, California 94596

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

This letter and its attachments will confirm the Company's understanding of the settlement reached on September 24, 1987, between the Company's Negotiating Committee and the Union's Negotiating Committee in the 1987 negotiations with respect to the IBEW Agreements between Company and Local 1245:

X 1. **Wages**

The Company will grant a general wage increase of two and three-quarter percent, effective January 1, 1988 and January 1, 1989, to employees covered by the Physical Agreement. Our customary rules of rounding will be followed. Employees covered by the Clerical Agreement will receive a two and three-quarter percent lump sum payment, to be applied at the end of 1988 and 1989, to be paid in January of the following year.

Effective January 1, 1988, the wage steps and starting rate for all new hires into beginning classifications as defined in Attachment C will be restructured. The starting rate, established on January 1, 1987 will be reduced by 12.5 percent. Each classification will have one additional wage step added to its progression, with the top step equal to the top step established on January 1, 1987. The interim steps will be restructured to provide equal distribution of the difference between the new starting and top step. (See Attachment C.) These rates will not apply to any employee who has a Service date prior to January 1, 1988.

For bidding purposes, the top rate of beginning classifications covered by the Physical Agreement will be the current top progression step (i.e. the one year step for Helper or Groundman).

GC classifications - Company agreed to maintain the 5 percent differential for eligible and comparable GC Classifications up to a total annual straight time cost of \$180,000. In applying this agreement adjustments will begin with the highest paid classifications and continue downward to the lowest paid classification until all comparable classifications have been adjusted or \$180,000 per year has been exhausted, whichever occurs first. A wage reopener was agreed to for both Physical and Clerical employees for 1990.

2. **Extension of Pension Bands**

The Company will provide Union extended Pension Bands at a later date.

3. **Health Committee**

The Company and Union will establish a task force to determine the most effective means of obtaining bargaining-unit employees' participation in HealthWise and, if appropriate, establish a self-HealthWise program.

By Jack McNally

IBEW 1245 Business Manag

Time to review new settlement then cast you

This issue of the Utility Reporter: the offer of settlement by PG&E. T to PG&E members for their consid

This year's bargaining with PG&E: ment of unraveling, and uncertain fact that PG&E has lost some large energy customers and faces a real

This changing utility environme: the bargaining table and, along wit Diablo Canyon, was the Company's proposals to reduce labor costs, an rates more in line with comparable

The results of collective bargaini what either side sets out to accomp no exception. This offer contains a basically keeps the fringe benefits i ability to institute work experiment prove efficiency and productivity a workplace. These projects will give place the right to participate in any

FOR bidding purposes, the top rate of pay for persons hired into beginning classifications 1-1-88 and after is defined as the # of months an employee ^{hired prior to 1988} was required to be in that classification to reach the top rate of pay.