

## PACIFIC GAS AND ELECTRIC COMPANY

PG&amp;E

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February 22, 1988

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

Dear Mr. McNally:

In July of 1986, the PURPA guidelines regarding field collection follow-up procedures on customer accounts were amended as a result of Assembly Bill 2721. Prior to the Amendment, the guidelines required two field visits to residential premises before Company could disconnect domestic account services for nonpayment. The modifications to the guidelines allow utility companies to mail 48-hour notices to domestic customers, eliminating one field visit prior to the disconnection of services.

As a result of the modification of the field collection procedures, Company instituted a pilot program in Santa Cruz in which the second 48-hour notice to a delinquent customer would be mailed rather than delivered. Company contracted with a collection agency to mail the letter. A Utility Clerk forwards the customer's account information to the collection agency via a terminal, and the collection agency sends a letter on their letterhead requesting payment. The customer is instructed in the letter to contact PG&E. Collection agency employees do not take any action other than mailing the letter.

The Santa Cruz pilot program was grieved and determined to be a violation of Section 24.5 of the Clerical Agreement in Review Committee Decision No. 1656. While the contracting did not have the purpose or effect of dispensing with the services of employees who are covered by the Clerical Bargaining Agreement, the contracting did not meet the guidelines of Section 24.5 that are to be observed.

The results of the Santa Cruz pilot proved the mailing of the letter by the collection agency to be a successful way to significantly increase revenue to the Company. In recognition of this and the lack of a deleterious effect on the bargaining unit, Company proposed that Section 24.5 of the Clerical Agreement be waived to allow the contracting of the mailing of 48-hour notices to delinquent customers by collection agencies on a systemwide basis under the guidelines established in the second paragraph of this letter. This agreement may be cancelled by either party with 30 days advance notice to the other party of such cancellation.

February 22, 1988

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 Company.

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By Richard B. Braeger  
Manager of Industrial Relations

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

LOCAL UNION NO. 1245, INTERNATIONAL  
BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

March 31, 1988

By Jack Wether  
Business Manager

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