PACIFIC GAS AND ELECTRIC COMPANY

215 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 972-7000 • TWX 910-372-6587

February 28, 1989

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Recently discussion took place between the parties concerning whether or not Mr. James Swiger, Fieldman, Mission Trail Region, has Section 206.9 rights for preferential consideration to Gas Crew Foreman.

On July 15, 1985, Mr. Swiger filled a Gas Department Field Clerk classification as a result of being the successful bidder. At the time, he was performing light duty as a Gas Crew Foreman. His wage rate in the Field Clerk classification was determined through the application of Subsection 112.10(c), and because of his years of service, he retained a rate equivalent to the Gas Crew Foreman.

In August 1986, it was determined by Dr. Weitz that Mr. Swiger's condition was permanent and stationary, and he was permanently precluded from performing the duties of a Gas Crew Foreman. In February 1988, Dr. Weitz opined that Mr. Swiger was capable of returning to his former Gas Crew Foreman classification.

As a result of the 1987 negotiation, Mr. Swiger was reclassified to a Fieldman and, therefore, when in March 1988 he submitted bids to Gas Crew Foreman in Gilroy and Edenvale, the bids were ranked as 205.7(d). No Gas Crew Foreman vacancies have been filled in those headquarters in 1988 or to date. Had the parties agreed to a rehabilitation placement to Field Clerk pursuant to 205.19 and 206.12 or had the Company effected the demotion pursuant to 206.15, Mr. Swiger would have had 206.9 rights to Gas Crew Foreman. In 1985, Mr. Swiger was encouraged by Company to submit bids and transfers to classifications that were commensurate with his anticipated permanent preclusions.

Therefore, pursuant to Section 206.12, Company proposes to grant Subsection 206.9(b) rights to Mr. Swiger to return to Gas Crew Foreman and 206.9(a) rights to Gas Crew Foreman, Edenvale. Such rights include preferential consideration to other intermediate classifications in the reverse line of progression for which he is qualified.

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 the Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

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

Business Manager

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