



# LETTER AGREEMENT

## No. R1-94-20-PGE



Pacific Gas and Electric Company  
Industrial Relations Department  
201 Mission Street, 1513A  
San Francisco, California 94105  
[415] 973-3420

International Brotherhood of  
Electrical Workers, AFL-CIO  
Local Union 1245, IBEW  
P.O. Box 4790  
Walnut Creek, California 94596  
[415] 933-6060

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Ronald L. Bailey, Manager or  
David J. Bergman, Director and Chief Negotiator

Jack McNally, Business Manager

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8 March 1994

Pacific Gas & Electric Company  
201 Mission Street, Fifteenth Floor  
San Francisco, California 94105

Attention: Mr. David J. Bergman  
Director and Chief Negotiator

Gentlemen:

The introduction of new technology/equipment in the Company's Payment Processing Center has impacted the application of the Bonus Achievement Program (BAP) established in Letter Agreements R1-88-121 and R2-93-51. Union proposes to cancel these agreements when the Company is no longer processing customer payments using the CES 9400 payment processing machines.

### 1. New Technology

The Company is replacing the CES 9400 payment processing machines in the next two months with an Intelligent Character Recognition (ICR) System. This technology will enable the Company to process customers' payments in a more timely manner. The introduction of the ICR System will cause the following changes:

- a. The current work station environment, which includes the dropping and keying of documents, will be eliminated.
- b. The ICR System will result in a paperless computer-driven technology. This technology allows customers' checks to be read by a machine that verifies the amount handwritten by the customer with the amount due on the customer's pay stub.
- c. Initially, 50% of single transaction payments currently processed manually will now be processed automatically by the ICR System. It is expected that the number of payments that will be processed automatically will increase considerably over time.
- d. Approximately 50% of customer payments will not be able to be processed automatically for a variety of reasons, including the receipt of multiple checks, multiple stubs, non-standard (commercial) checks, or the illegibility of some checks. Employees will process these payments by using 486 personal computers using procedures similar to employees working in the Research and Deposit Control Section, who are not covered by BAP.

2. Option in Lieu of Layoff

Employees in the Customer Billing Department on the date this agreement is signed whose positions are eliminated or impacted as a result of the introduction of the ICR System and who have no Title 19 option except Section 19.7 layoff, will be offered at least one full time employment option, if qualified, in addition to the option to elect layoff. If no such employment option is immediately available, impacted employees will have their employment continued for up to 14 months from the date this agreement is signed. During the 14-month extension, impacted employees may be assigned work within any section of the Customer Billing Department.

If impacted employees are not placed in a position within 14 months of the signing of this agreement, they will be given Title 19 options at that time.

3. Work Environment/Production Standards

The parties will select a mutually agreed-to consultant to study the physical work environment and work methods. The Company will pay the cost for this study. The consultant's recommendations will be presented to both parties for negotiations on this issue.

In addition, the parties will review the manufacturer's recommendations and other agreed-to data for the purpose of negotiating a new production standard.

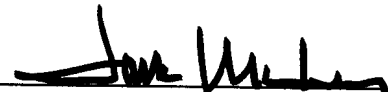
4. Job Rotation

Company shall maintain a job rotation system based on seniority and voluntary sign-up.

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 Union.

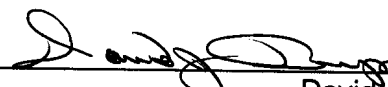
Very truly yours,

LOCAL UNION 1245, INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS, AFL-CIO

By:   
Jack McNally  
Business Manager

The Company is in accord with the foregoing and agrees thereto.

PACIFIC GAS & ELECTRIC COMPANY

March 28, 1994  
By:   
David J. Bergman  
Director and Chief Negotiator