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PACIFIC GAS AND ELECTRIC COMPANY

245 MARKET STREET . SAN FRANCISCO, CALIFORNIA 94106 . (415) 781-4211 . TWX 910-372-6587

I. WAYLAND BONBRIGHT MANAGER INDUSTRIAL RELATIONS

July 16, 1981

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:

On May 27, 1981, following discussions with your Gas Service Committee, Company proposed certain amendments to the Gas Service Department job definitions, list of classifications, lines of progression, and the wage rates for the Service Mechanic classification. These were contained in Letter Agreement No. 81-59-PGE.

At the time of our proposal it was our intent to assign solar inspections called for by the CPUC Solar Incentive Program under OII-42 to a non-bargaining unit classification since agreement could not be reached for an appropriate classification in the bargaining unit. A more recent CPUC decision issued during the week of July 6, 1981, has eliminated a substantial portion of this program. At the same time Company became aware of a rapidly declining backlog of solar inspections to be carried out under this program. The Company, therefore, intends to assign the completion of the Check List for Solar Water Heater Systems, copy attached, to Service Mechanics who have been trained to perform solar diagnostic work.

Our proposal contained in Letter Agreement No. 81-59-PGE also proposes the retroactive application of a wage increase to the present Service Mechanics. Since we need to get on with our water heater inspections and to fill Service Mechanic jobs in connection with the solar programs, the Company's offer of retroactivity expires on August 1, 1981, but would be effective on the date of execution of the agreement if it is later than that date.

Very truly yours,

AllBabright

IWB:RS Attach.