PACIFIC GAS AND ELECTRIC COMPANY

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

March 8, 1974

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

Re: Review Committee Procedure

Dear Mr. Mitchell:

Along the lines of our discussions during negotiations this year and with the amendment of the Labor Agreement to provide for interim Ad Hoc Negotiations, we propose the following amendment of Item II-D(4) of the Review Committee Procedure that became effective November 1, 1973:

(4). "Close the Review Committee file and remove it from its agenda by notifying the Company's Manager of Industrial Relations and the Union's Business Manager that the case is 'suspended.' Following such notice, the Union's Business Manager and Company's Manager of Industrial Relations shall, within 15 calendar days, meet for the purpose of proposing an interim consultative disposition of the issues involved or, at their option, refer the case to an Ad Hoc Negotiating Committee as provided for pursuant to the provisions of Title 400 of the Physical Labor Agreement and Title 24 of the Clerical Agreement.

"If a matter so suspended has not been referred to an Ad Hoc Negotiating Committee for interim negotiations within 15 calendar days of the receipt of the case from the Review Committee and, provided further, if no other disposition is made within that time period, the case may, within 5 calendar days of the expiration of said 15 calendar days, be submitted to arbitration pursuant to the applicable provisions of the applicable Labor Agreement then in effect between the parties. If not submitted to arbitration or if the 15-calendar-day limits are not waived as provided for hereafter in Item E, or if the grievance has not been withdrawn, the grievance shall be considered finally settled without prejudice.

"If Ad Hoc Negotiations are agreed upon within the time periods provided, the Committee will meet and confer at the earliest date that can be arranged between them. The Committee will meet thereafter as often as both parties deem necessary to effect an early disposition of the issues involved. A Committee is empowered to render a final, binding disposition of the case. Such decision will be reduced to writing, signed by both Union and Company, and distributed by each to Union members and Company's management as each deems necessary to effectuate the decision.

"If an Ad Hoc Negotiating Committee is unable to reach a disposition of the 'suspended' case within 180 days of the date the case was suspended and if within that period of time neither party has notified the other in writing of their intent to submit said case to

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arbitration, then at the expiration of said 180 days, the case shall be automatically closed without prejudice, unless there is mutual agreement that the case be terminated by other means.

"While 'suspended', the preliminary disposition proposed by either party may, upon mutual agreement of the parties, be placed into effect anywhere without prejudice to either party. If both have submitted preliminary dispositions that provide for different methods of resolving the issues, either or both may, by mutual agreement, be put into effect for the purpose of determining which, if either, is mutually acceptable to the parties as a solution.

"To provide a favorable atmosphere for negotiating a settlement of the issue referred to an Ad Hoc Negotiation Committee and to encourage the trial of preliminary dispositions proposed by either Company or Union, the period of 'suspension' will insulate Company from additional monetary liability, if that is involved in the case, in the following manner: The Ad Hoc Negotiating Committees are empowered to mutually determine in an appropriate case, the amount of retroactive wage adjustment which will accompany their disposition of the case. In no event, however, will such period of retroactive wage adjustment exceed the period of time beginning with the date the grievance was originally filed and ending with the thirtieth calendar day following the date the Union notifies Company of their election to 'suspend.'"

The period of suspension shall end and the insulation of Company of further liability shall cease whenever either party notifies the other of its desire to submit the case to arbitration.

As amended herein, the Union and Company confirm and republish all other provisions of said Letter Agreement effective November 1, 1973, in all respects other than those mentioned herein.

The amendment proposed herein shall become effective February 1, 1974, or on the 31st day following the date Union notifies Company of the ratification of a new term of the Physical and Clerical Labor Agreements dated July 1, 1952, and September 1, 1953, last amended July 1, 1970.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided below for your signature.

Yours very truly,

PACIFIC AS AND ELECTRIC COMPANY

By Manager of Industrial Relations

The Union concurs with the foregoing amendment to the Letter Agreement effective November 1, 1973, and concurs therein.

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

August 26 , 1974

by L. L. Mitchell

Business Manager