PACIFIC GAS AND ELECTRIC COMPANY

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

January 16, 1986

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

The Company proposes, pursuant to Section 205.19 of the Physical Agreement, to place Mr. Glenn H. Baker into a Patrolman position in the Fresno headquarters of San Joaquin Valley Region.

Mr. Baker sustained an industrial injury on December 23, 1981 which prevented him from returning to his position as a Line Subforeman. Mr. Baker was placed in the OIT program pursuant to Section 112.10 of the Physical Agreement.

On April 29, 1985, Mr. Baker was demoted from the OIT classification due to his failure to meet the established standards of the OIT training program. Under the provisions of the System Operator Training Program Agreement, an employee who fails to meet the established standards will be demoted to Groundman or Helper. Due to Mr. Baker's physical restrictions and years of service, he was placed in a temporary Patrolman position. Based on his performance, the Company would like to place him into the Patrolman classification on a permanent basis. The Company proposes that Mr. Baker be paid at the rate of the Patrolman classification.

This proposal has been discussed with Mr. Frank Hutchins, Union Business Representative.

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.

Yours very truly,

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