

PACIFIC GAS AND ELECTRIC COMPANY

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

September 2, 1988

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:

Pursuant to Step 5, Section B(4) of the Review Committee Procedure, Title 102 of the Physical Agreement, Company proposes to resolve all grievances contained in Arbitration Case Number 147, in the following manner:

1. An Ad Hoc Negotiating Committee consisting of David Bergman, Richard Bradford, William Eddy, Rod Maslowski, Ron Morris, Grant Radford, Jim Randolph for the Company and Dorothy Fortier, Jack McNally, Manuel Mederos, Darrel Mitchell and Roger Stalcup for the Union, met on numerous occasions to discuss the unresolved issues in the above-mentioned Review Committee cases, and on September 1, 1988, a settlement was reached resolving all issues referred to this Ad Hoc Committee.
2. Section 207.2 of the Physical Agreement shall be interpreted as follows:
 - a. Company shall only contract after all efforts are made to use qualified Company resources, including optimum use of voluntary overtime and consideration of General Construction personnel.
 - b. Company shall not contract any work normally performed by the bargaining unit if such contracting is intended to reduce or has the effect of reducing the regular work force by attrition, demotion, displacement or layoff. Layoffs, demotions and displacements shall not originate at a headquarters and department that is contracting work. Further, the total size of the bargaining unit in that department shall not be reduced by attrition at that headquarters or in the system while such work is being contracted.

Example 1:

Antioch is contracting out work that is normally performed by the Gas and Electric T&D departments. Accordingly, the number of bargaining unit employees in the Gas T&D and Electric T&D departments shall not be reduced as long as the contracting continues. In addition to the restriction of no layoffs, demotions or displacements at that headquarters for lack of work, all positions in that headquarters and department must be filled when permanently vacated.

Example 2:

In a headquarters and department where no contracting is taking place and it becomes necessary to reduce the bargaining unit work force as a result of lack of work, the number of employees may be reduced by the application of Title 206 and/or attrition at that headquarters. However, if contracting of work is taking place in the same departments at a headquarters elsewhere in the system, the number of positions system-wide in that department shall not be reduced by attrition or layoff.

For example, for the purposes of lack of work, the Eureka Gas Service Department is reducing the number of service employees, the Redding Electric T&D Department is reducing the number of T&D employees and the Bakersfield Gas T&D Department is reducing the number of T&D employees. At the same time Gas T&D and Electric T&D work is being contracted in Antioch, the following must occur:

The number of positions being reduced in Redding and Bakersfield must be added in the same department elsewhere in the system since Gas and Electric T&D work is being contracted elsewhere. However, since gas service work, in this example, is not being contracted elsewhere in the system, the number of employees in the gas service department may be reduced by either the application of Title 206 or attrition.

3. When returning a non-unit employee who formerly was in the collective bargaining unit to a classification covered by Title 200 of the Physical Agreement, Company shall not demote, displace or layoff a current unit employee in the department receiving the non-unit employee. Additionally, for the purposes of Titles 205 and 206 only, such employees shall have a seniority date of their most recent re-entry into the bargaining unit. Effective January 1, 1991 or after the completion of one calendar year in the bargaining unit, whichever occurs later, such employees shall utilize their employment date as defined in Title 106 for the purposes of Titles 205 and 206. This application shall continue beyond January 1, 1991 unless otherwise negotiated by the parties.

A non-unit employee who has never worked in the bargaining unit may not be placed into the bargaining unit by the application of section 206.10.

4. Attached is a listing of the departments to be utilized in conjunction with this agreement.
5. All current arbitration and Review Committee decisions on Company's right to have work done by outside contractors remain in effect.

6. The grievances contained in Arbitration Case 147 are to be settled in accordance with this agreement by a committee comprised of three persons from each party that are named in Item #1.

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

By Richard B. Baadyl
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**

Sept 2, 1988

By Joe Wickham
Business Manager

To: All Staff with PG&E Responsibility

From: Darrel Mitchell

Subject: Letter Agreement 88-104

Date: September 19, 1988

Attached is an updated version of the attachment to letter agreement 88-104 that list the departmental designations for the purpose of such agreement.

Please assure this attachment replaces the original for any distribution of letter agreement 88-104.

DEPARTMENTS FOR THE PURPOSE OF LETTER AGREEMENT 88-104

Following is a listing of departments under a general area of work that is to be utilized to determine the applicability of "department" as stated in letter agreement 88-104:

ELECTRIC

1. Transmission and Distribution
2. Substation Maintenance
3. Substation Operating
4. Hydro Maintenance
5. Hydro Operating
6. Meter
7. Office
8. Hydro Clerical

STEAM & NUCLEAR GENERATION

1. Operating
2. Electrical Maintenance
3. Mechanical Maintenance
4. Technical Maintenance
5. Clerical

MATERIALS DISTRIBUTION

1. Warehouse (including Central Distribution Center)
2. Pipeline Yard and Plant
3. Machine Shop
4. Electric Utility and Hydro-electric Maintenance

CUSTOMER SERVICES

Customer Services

GAS

1. Transmission and Distribution
2. Measurement and Control
3. Service
4. Steam Heat
5. Plant Maintenance
6. Gas Meter Repair Facility

PIPE LINE OPERATIONS

1. Transmission Operating
2. Transmission Maintenance
3. Plant Operating
4. Technical Maintenance

GENERAL SERVICES

1. Garage
2. Building Service
3. Miscellaneous (Cooks, Housekeepers, Utilitymen)

WATER

1. Water

ACCOUNTING AND COMPUTER OPERATIONS

1. Customer Accounting

DM
SS

Updated September 15, 1988