



**LETTER AGREEMENT
NO. 97-27-PGE**

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
375 NORTH WIGET LANE, SUITE 150
WALNUT CREEK, CALIFORNIA 94598
(510) 746-4282

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

MEL BRADLEY, MANAGER OR
DAVID J. BERGMAN, CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

February 12, 1997

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Attached is a proposed decision to settle three grievances concerning the establishment of critical classifications in the Richmond, Oakland, San Francisco, and Daly City/Colma headquarters. This agreement is being executed because the settlement is not in strict compliance with the Critical Classifications Supplement in the Physical Labor Agreement, however, it is a fair and equitable resolution to a difficult situation. Further, the parties have stated their intent to enter Ad Hoc Negotiations pursuant to Title 400 concerning the provisions of the Supplement.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided and return one executed copy of this letter to the Company.

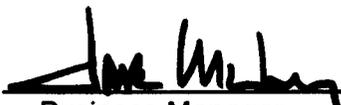
Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Chief Negotiator

The Union is in accord with the foregoing and agrees thereto as of the date hereof.

Feb 18, 1997

By: 
Business Manager

**CRITICAL CLASSIFICATIONS
GRIEVANCE RESOLUTION**

BEL-96-16
SFO-96-42
EB-96-24

For some time San Francisco Division, East Bay Division, and the Daly City/Colma headquarters of Peninsula Division have been experiencing high turnover in the Lineman classification. This has been disruptive and costly to operations. In an effort to stabilize the workforce to better focus on customer service and response time expectations and to avoid migration between the three areas, the Division Managers agreed all would authorize the establishment of critical Lineman and Electric Crew Foreman classifications in the above areas. On (date) a letter was sent to the Union Business Representative notifying Union of Company's intent. The vacancies were posted as New Job At Headquarters on October 18, 1996 and filled beginning early November.

It should be noted that while the Critical Classifications Supplement has been in the Physical Agreement since 1974, it has not been applied to the Electric Overhead Department before. It has had very little utilization at all, and in several of the other situations, the critical provisions were established by letter agreement. Because of the limited experience with the critical provisions, there was some debate about the application of the language. This resulted in the Union filing grievances when the Troublemaker and Apprentice Lineman classifications at the above headquarters were not also established as critical. A review of the bargaining notes coupled with the contractual language is sufficient for Company to agree with Union's interpretation as it applies to the Lineman and related classifications (Overhead Line of Progression).

Before the Managers authorized the critical classifications, they assessed the impact on their budgets believing that designating only Lineman and Electric Crew Foreman as critical was contractually permissible and manageable within their budgets. Had they known at the time of the more expanded obligation, it is unlikely all would have opted to establish the critical classifications. It is also clear that there were other alternatives available to fill some of the Lineman vacancies.

DECISION

As stated before, the critical classification provisions have had limited utilization, but more importantly, these provisions have not been revised since 1974. As part of the resolution of these grievances, the Chairman and Secretary of the Review Committee agree to the referral of the issues raised in these grievances to Ad Hoc Negotiations pursuant to Title 400. The Ad Hoc committee will discuss the issues related to journeyman retention and make recommendations to modify the critical classifications supplement appropriate for the current and future business environment.

In addition, to settle these specific grievances, Company will seek volunteers from the current Troublemens and Apprentice Linemen at the four grieved headquarters to accept critical status. Such status will be effective February 10, 1997 with the incumbent's acceptance not later than February 19, 1997.

Electric Crew Foreman, Lineman, Apprentice Lineman, and Troubleman vacancies occurring at these headquarters on or after February 10, 1997 that remain unfilled for 90 days or more will be reviewed to determine whether they need to be designated as critical. If the vacancy is determined to be filled as non-critical but the successful bidder is from the same headquarters and is already critical, that employee will carry the critical status to the new vacancy and the expiration date of that employee's critical status will remain unchanged. If a vacancy is to be filled as critical, it will first be offered to non-critical employees in order of seniority who are in the same classification and at the same headquarters as the vacancy.

The critical designation for the Overhead Line of Progression at these headquarters will end not later than November 1, 1999, however, employees designated as critical will continue to receive the premium until three years from the date they first assumed such status or until they bid or transfer out of the headquarters.

In the future, notice of the establishment of critical status will be communicated from Company at the corporate level, to Union.

These cases are closed on the basis of the foregoing without prejudice to the position of either party.