PACIFIC GAS AND ELECTRIC COMPANY

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

May 11, 1987

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:

Following receipt of Mr. Stalcup's letter dated May 6, 1987 and further discussion concerning the remedy for Arbitration Decision No. 146, Company proposes the following:

Full back pay at the one-year Gas Helper rate from the date of discharge (7/12/85) to the workday proceeding the date of reinstatement (3/25/87) at the rates in effect for that time period less any outside earnings or other income and less 20 days at the 1985 Gas Helper rate. The reinstatement is with benefits in tact except for the provisions of Subsection 111.5(a) of the Physical Agreement.

This proposal is based on the arbitrator's comments that the grievant's attendance record and the memo dated March 7, 1985 should be taken into consideration in formulating a remedy. The remedy in this case is without prejudice to Pre-Review Committee Decisions 846 and 898.

It is further agreed that the Local Investigating Committee settlement of the grievance concerning the March 7, 1985 memo to file will be effected, as outlined, except that the attendance review dates shall be adjusted by the time the grievant was off the payroll.

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 Wood At & Manager of Industrial Relations

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

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

Business Manager

May 15, 1987