

Pacific Gas and Electric Company

215 Market Street
 San Francisco, CA 94106
 415/972-7000



July 14, 1989

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

During the past two years there have been significant changes in the Savings Fund Plan provisions and tax laws governing that Plan. As a result of these changes, the role of the Accounting Clerks in the Saving Fund Plan Section of the Controller's Department has changed from that of a financial and accounting role to a plan administration role. The Tax Reform Act of 1986, final 401(k) regulations of 1988 and other miscellaneous changes to the Internal Revenue Code along with the fact that the Company is no longer the Plan recordkeeper have eliminated accounting duties related to withdrawals, transfers, eligibility, and contribution financial transactions. Further, these changes have made the plan more administratively complex so that the focus of the clerical work is on administration and communication with Human Resources staff and employees.

As a result of these changes, the Company proposes to remove the remaining Plan administration duties from the bargaining unit. In order to avoid the displacements and layoffs that could occur by relocating this function, the Company will give two of the three current incumbents positions in the Benefits Section of the Human Resources Department. These employees are:

<u>Name</u>	<u>Current Classification</u>	<u>Service Date</u>
Mabel Gin	Clerk D - Accounting	January 10, 1979
Teresita Abad	Accounting Clerk - Steno	December 9, 1980

The third incumbent, Ms. Dorothy Williams, Accounting Clerk, will retain her bargaining unit status, but will be relocated with the rest of the Savings Fund Plan unit. Should Ms. Williams vacate her current position, under any provisions of the Labor Agreement, that position will retain the non-bargaining unit status and shall not be subject to the provisions of the Clerical Labor Agreement.

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.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By Richard B. Bradley
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

Aug 2, 1989

By Jack Wehner
Business Manager

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