



LETTER AGREEMENT

No. R3-92-62-PGE



Pacific Gas and Electric Company
Industrial Relations Department
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San Francisco, California 94105
[415] 973-3420

International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
P.O. Box 4790
Walnut Creek, California 94596
[415] 933-6060

Ronald L. Bailey, Manager or
David J. Bergman, Director and Chief Negotiator

Jack McNally, Business Manager

June 4, 1992

Mr. Jack McNally
Local Union No. 1245
International Brotherhood of
Electrical Workers
P.O. Box 4790
Walnut Creek, CA 94596

Attention: Dorothy Fortier

As a result of an extensive Continuous Improvement/Employee Involvement process, Company proposes to reorganize Capital Accounting (formerly Construction Accounting) Department.

Enclosed for your review is a summary of the current organizational structure and the proposed organizational changes. The current organization is comprised of 2 sections, Project Budget Accounting and Plant Accounting. In our proposal, this would be replaced with one (1) section with three units, Capital Financial Overheads, Distribution Job Accounting Services, and Job Accounting Services for the purposes of Titles 18 and 19.

It should be noted that the description of duties on the enclosed organization chart are not intended to set classification levels, that is appropriately done through the application of the Clerical Position Evaluation System (CPES). Certain positions may need to be reviewed under the CPES. It is not Company's intent that this restructuring and/or job duty reassignment result in changes to the number of clerical classifications at various levels. However, the provisions of L/A #82-111 and L/A #90-43 shall apply to employees in positions to be downgraded resulting from review through the CPES.

Initially positions will be filled on a seniority basis by classification. For example, Senior Accounting Clerk I positions will be filled by seniority among all the Senior Accounting Clerk's I in the Section (newly combined).

For temporary upgrade purposes, bargaining unit positions in the Valuation Services Unit and the Manager of Capital Accounting's immediate office will be included with the Job Accounting Services Unit.

If you are in accord with the foregoing and attachments 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 & ELECTRIC COMPANY

By _____
Director and Chief Negotiator

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

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

_____, 1992

By _____
Business Manager

CAPITAL ACCOUNTING

Existing Organization:

All bi-weekly paid employees in Capital Accounting are covered under the clerical agreement with the exception of the manager's secretary and her back-up. The department has two separate sections: Plant Accounting and Project Budget Accounting which are further divided into six units.

The six units are:

Plant Accounting

- Plant Valuation
- Job Analysis

Project Budget Accounting

- Project Budget
- Job Estimates
- Job Accounting
- Construction Work in Progress (CWIP)

The bargaining unit employees are organized functionally:

- job estimate accounting review,
- job estimate set-up,
- job cost related journal entries,
- job to job transfers,
- job cancellations,
- special requests,
- indirect overhead applications,
- job closing, and
- job files.

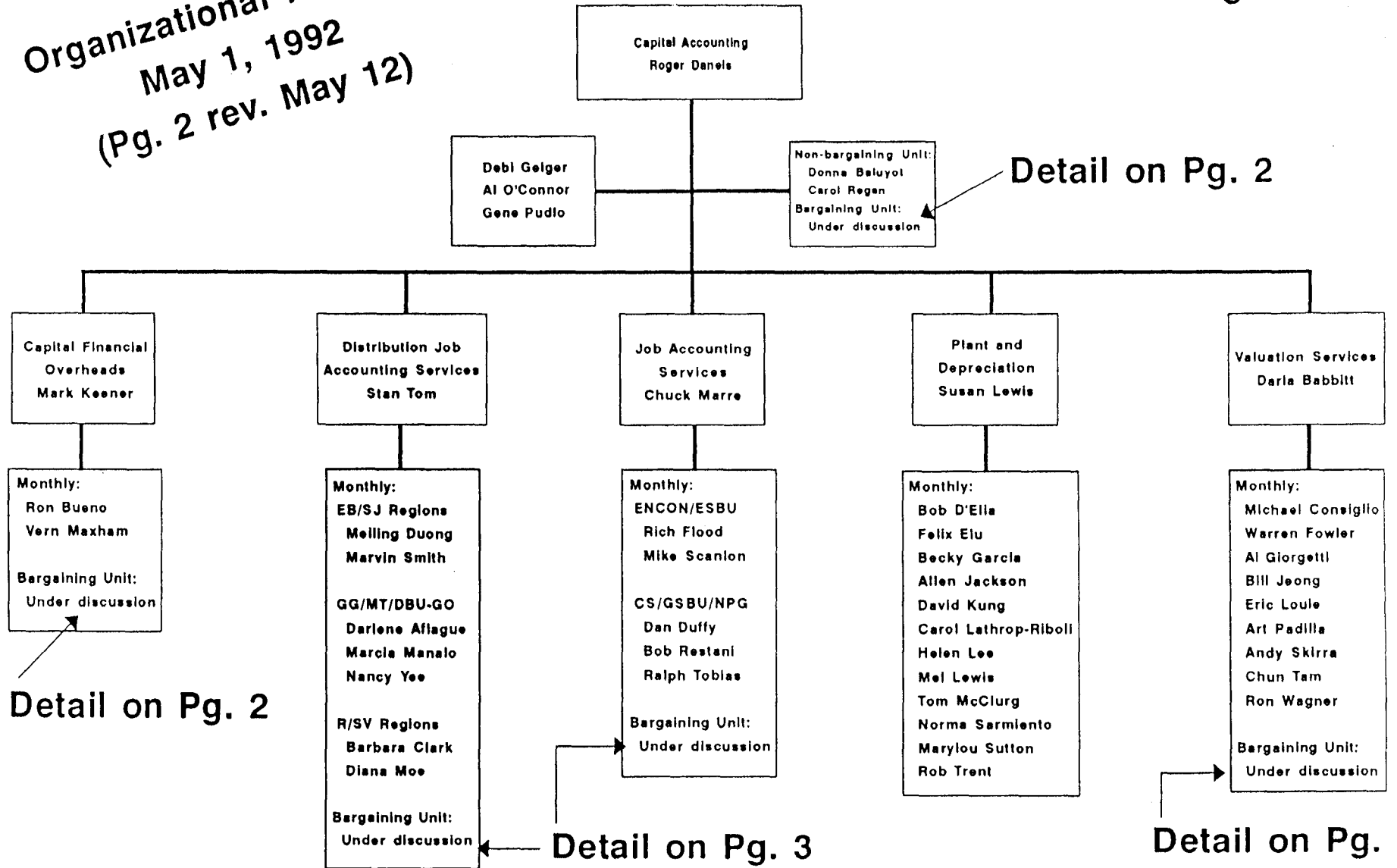
The work is currently performed in the two separate sections requiring passing the job estimates along in an assembly line fashion as specific work is performed. The employees tend to become experts at their specific piece of the product/service provided and do not have an opportunity to become knowledgeable of the entire product/service provided in day-to-day operations. This also causes some confusion since the assembly line for given jobs can sometimes reverse itself depending on what needs to be done during the job's life cycle. The reverse hand-offs often cause loss of ownership and accountability within the department.

Proposed Organization:

In our proposal, the two sections/six units will be combined into one section/three units. Employee teams will be developed and structured so that each team will have a lead clerk for day-to-day technical support and operations.

The specific team organizations will be determined by client (business units) requirements and will not be organized around functions. Over time the employee's will be provided with training to deliver job accounting products/services from beginning to end and to understand all facets of their work.

Organizational Proposal
May 1, 1992
 (Pg. 2 rev. May 12)



Capital Accounting
Roger Danele

Debi Gelger
Al O'Connor
Gene Pudlo

Non-bargaining Unit:
Donna Baluyot
Carol Regan
Bargaining Unit:
D Position #1

Position #1: Process and distribute department mail whenever necessary; order supplies and maintain good house keeping in the copy and supply rooms; maintain the copy machines and micro-film machines; and general clerical support.

Capital Financial
Overheads
Mark Keener

Position #2: Determine, research, analyze and correct errors in permanent suspense.

Monthly:
Ron Bueno
Vern Maxham
Bargaining Unit:
B Position #33
C Position #34
C Position #35
B Position #2
D Position #3

Position #3: Batch journal entries processed in Capital Accounting and deliver to Accounting Data Control; ensure proper authorization is obtained on journal entries; report all journal entries over \$500,000 to supervisor for action; and deliver OCI and file maintenance documents to Accounting Data Control.

Position #33: Perform calculations, prepare reports and journal entries to account for AFUDC income and income adjustments, indirect and overhead rates, on line error corrections and special requests.

Positions #34 & #35: Perform calculations, prepare journal entries to account for AFUDC charged to job estimates, making adjustments to AFUDC charged to job estimates and to maintain the job estimate status system.

Valuation Services
Daria Babbitt

Positions #4 & #5: Provide retirement unit table maintenance and support; provide tangible property list and franchise fee reporting data support; provide records management and research support; and provide general clerical support.

Monthly:
Michael Consiglio
Warren Fowler
Al Giorgetti
Bill Jeong
Eric Louie
Art Padilla
Andy Skirra
Chun Tam
Ron Wagner
Bargaining Unit:
C Position #4
C Position #5

REVISED
5/12/92



(A) Positions #23 & #32: Perform accounting review of job estimates; perform repair allowance analysis and coding of job estimates; and perform all phases of work related to actual cost billings.

(A) Positions #6, #11, #17, #24, & #28: Perform lead duties such as assigning work related to job estimates, monitoring backlog, and assisting with training junior clerks; perform accounting review of job estimates; perform all work related to job analysis; and respond to client requests for job related cost information.

(B) Positions #7, #12, #13, #18, #25 & #29: Perform all phases of work related to job accounting including analyzing estimates for special billing requirements, obtaining and reviewing relevant documents to determine appropriate journal entries to be made, prepare appropriate journal entries, perform retirements, and close job; research and respond to client requests for job related cost information; perform partial plant transfers; perform accounting review of work orders.

(C) Positions #8, #9, #14, #19, & #20: Process special requests from clients, including job-to-job transfers, cancelled jobs, and requests for journal entries; process and follow up on client related requests related to any type of job accounting updates.

(D) Positions #10, #15, #16, #21, #22, #26, #27, #30 & #31: File and retrieve jobs and source documents; establish jobs on the job accounting file; process job accounting related file maintenance; provide relief for clerk in immediate office.

