

PACIFIC GAS AND ELECTRIC COMPANY

PGE + 245 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6587

December 19, 1986

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 Section 3.5 of the Physical Labor Agreement, the Company proposes to establish the Bayhill Customer Operations office as an additional service employee headquarters for Troublemakers and Servicemen in the Northern San Mateo County Division for the purpose of measuring the travel time between an employee's residence and headquarters.

The enactment of this proposal will benefit the Company and the affected employees by improving the geographical distribution of the service employees in the Golden Gate Region, and by offering these employees the opportunity to seek more affordable housing.

This proposal applies only to the residency requirement of Section 3.5. For all other contractual purposes, the headquarters for these service employees will remain at the Colma Service Center. Furthermore, the enactment of this proposal will not have an adverse impact on the service response time of service employees and will not result in any relocation of personnel to the Bayhill office.

This matter has been discussed with Joe Valentino, Business Representative.

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 *W. B. Wright*
 Manager of Industrial Relations

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

Jan 5, 1986

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

By *Jack McNally*
 Business Manager