PACIFIC GAS AND ELECTRIC COMPANY

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

September 3, 1987

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

Gentlemen:

Attention: Mr. Jack McNally, Business Manager

Pursuant to Section 202.16 of the Physical Agreement, Company proposes to establish a 4-day, 10-hour schedule for certain Hydro Generation employees located at Balch Camp for a test period beginning on Monday following approval of the Agreement and ending February 12, 1988. This specific agreement will be in accordance with the Generic Four-Day, Ten-Hour Agreement (86-155-PGE) except as listed below:

1. AFFECTED EMPLOYEES

Subject to Union ratification, all Hydro Generation employees in this area except for employees in the Operating, Boarding House and Clerical classifications will be placed on the 4-day, 10-hour schedule.

2. SHIFT SCHEDULE

Employees will work an A or B schedule as shown below. Employees will normally work the A schedule (Monday-Thursday) except when they are required to work with another department which observes Friday as a regular workday or department requirements dictate B Schedule.

A and B Schedules

Monday - Thursday workweek for Schedule A Tuesday - Friday workweek for Schedule B 4 days on/3 days off 8 workdays in a 14 day cycle

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3. HOURS

Work hours will be from 0700 to 1740. Employees will receive a 1/2 hour unpaid lunch from 1200 - 1230. Employees will receive 2-10 minute breaks, one before lunch and one after lunch.

4. PAYCHECKS

It will be employees' responsibility to pick up their Friday paycheck on their own time if they are not working that day, providing the checks are not available on Thursday. If checks do not arrive on Thursday, checks will have to be picked up on Monday. Checks will be put in each individuals U.S. mail box. Overtime will not be paid for that Friday, Saturday and Sunday.

5. AREAS OF EVALUATION

The test period will provide an assessment of the 10-hour workday. During the test period, questions on safety, fatigue, productivity, emergency overtime availability, overtime costs, interfacing with other departments, and morale will be evaluated.

6. CANCELLATION

Either the Company or Union reserves the right to return to the five day, eight hour schedule by giving 15 days notice should, in the opinion of either Company or Union, the 4-day, 10-hour workweek schedule adversely affect the operation of the Company or the employees.

SOUTHERN AREA HYDRO GENERATION

Due to special situations peculiar to the Hydro Generation Department this letter of agreement will not be placed into effect unless the affected employees at all headquarters in Southern Area Hydro vote in favor of the 10-hour proposal.

This proposal has been discussed with Union Business Representative Frank Hutchins.

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,

By All Babual

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

Sept 22 , 1987

Business Manager