

PACIFIC GAS AND ELECTRIC COMPANY

PG&E

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

October 29, 1973

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

Attention: Mr. L. L. Mitchell, Business Manager

Gentlemen:

Company intends to close the Materials facilities located at 650 Lenzen Street and 65 N. Montgomery Street in San Jose and transfer the material activities at these locations to the new San Jose Material Distribution Facility on Dado Street, San Jose, in January 1974. Company also intends to transfer the material activities from San Mateo and Redwood City to the Dado Street Facility probably in March 1974.

As was the case in similar situations, it is Company's intent to minimize the disruption to Material Distribution employees in the system due to the consolidation program by limiting demotion and displacement rights contained in Title 206 of the Physical Contract. Accordingly, Company proposes pursuant to Sections 206.13 and 205.19, to transfer each employee at the above locations to the Dado Street Facility in their present classification and rate of pay at the approximate time indicated.

Company further proposes to restrict the demotion and displacement rights of these employees contained in Title 206 to 206.8 rights, if applicable, and to 206.9 rights to return to their former headquarters should their present classification be reestablished at that location in the future. It is Company's opinion that extension of any other displacement or demotion rights in San Jose Division would be inappropriate since the remaining material activities in the Division are scheduled for transfer to the Dado Street location in two or three years.

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 Company.

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By *W. S. Wright*
 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

December 12, 1973

By *L. L. Mitchell*
 Business Manager