PACIFIC GAS AND ELECTRIC COMPANY

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

October 21, 1985

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:

The Company plans to reclassify eight current part-time Service Representative positions headquartered at Richmond, Oakland, Concord and Hayward to full-time Service Representative positions located in the Oakland Office.

The positions are being reclassified from part-time to full-time to provide customer service phone coverage 24 hours per day, seven days per week and, therefore, provide better service to the customers.

Title 19 of the Clerical Agreement and the Clarification of Title 19 provide part-time employees with displacement rights into other part-time Service Representative or Utility Clerk positions. However, since there will no longer be any part-time Service Representative positions or part-time Utility Clerk positions within Customer Services in the division, the Company proposes, pursuant to Section 18.17 of the Clerical Agreement, to fill the reclassified positions and any resulting vacancies in accordance with Subsection 18.8(a) and (b), which is the prebid procedure. Vacancies remaining after utilizing the prebid procedure will be offered to the current incumbents of the part-time positions, in order of seniority, prior to utilizing Subsections 18.8(c), (d) or (e), of the postbid procedure.

In addition, it is proposed that the current incumbents of the part-time positions will have the option of choosing to exercise their rights to other part-time positions as provided for under Title 19.

The eight part-time employees to be given preferential treatment in filling the eight full-time vacancies are (in order of seniority date):

| NAME | LOCATION | SENIORITY DATE |
|---------------|----------|----------------|
| F. W. Davis | 0akland | 06/04/68 |
| P. A. Halford | Concord | 07/09/69 |
| A. P. Miners | Hayward | 03/13/70 |
| R. K. Smoak | Oakland | 03/05/80 |
| P. A. Davis | Hayward | 09/02/80 |
| M. A. Bowman | Richmond | 06/14/82 |
| J. C. Lewis | Richmond | 09/27/82 |
| R. A. Surges | Concord | 09/12/83 |

It is our understanding that this proposal has been discussed with IBEW Representatives Frank Saxsenmeier, Art Murray and Bob Choate.

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

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

Onf 31, 1985

Business Manager