PACIFIC GAS AND ELECTRIC COMPANY

January 21, 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:

The Company proposes, pursuant to Subsection 202.16(b) of the Physical Agreement, to permanently change the work hours of the Electric T & D Department in Santa Cruz headquarters of Coast District in Mission Trail Region. The regular hours of work are 8:00 a.m. to 4:30 p.m. The proposed hours are from 7:30 a.m. to 4:00 p.m.

It is our understanding that this proposal has been discussed with Mr. Bill Twohey, Union 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 Manager of Industrial Rela

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

By Business Manager

, 1986