PACIFIC GAS AND ELECTRIC COMPANY

PGWE

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

July 31, 1987

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

Attention: Mr. Jack K. McNally, Business Manager

Gentlemen:

Pursuant to Section 205.19 of the Physical Agreement, Company proposes to amend the lines of progression of the Physical Agreement for the Administrative Services Departments at Hunters Point and Potrero Power Plants.

Company is proposing that temporary vacancies (two weeks or less) be filled with the senior qualified pre-bidder from the plant in which the vacancy occurs. Vacancies of longer than 2 weeks will be filled by the senior qualified pre-bidder from either plant. If Company is aware at the onset that the vacancy will be longer than two weeks, the vacancy will be filled for the first two weeks in plant then filled with the senior qualified pre-bidder from either plant for the duration of the absence. This change is necessary to allow us to provide quality administrative support for both plants and to provide equitable upgrade and training opportunities.

This proposal has been discussed with Mr. Ed Caruso, 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

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