PACIFIC GAS AND ELECTRIC COMPANY

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

March 26, 1987

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

Attention: Mr. J. K. McNally, Business Manager

Gentlemen:

Pursuant to Section 205.19 of the Physical Agreement, Company proposes to reclassify William Saunders, Equipment Operator, Antioch, to Heavy Equipment Operator, Antioch.

This action is necessary due to the acquisition of a crane with the capacity to lift ten tons. Mr. Saunders is the senior Equipment Operator in the headquarters (service date July 6, 1954) and is qualified as a Heavy Equipment Operator.

This matter has been discussed with Art Murray, 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 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

April 16, 1987

Business Manager