

PACIFIC GAS AND ELECTRIC COMPANY

PGE + 215 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 972-7000 • TWX 910-372-6587

August 10, 1988

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

In recognition of the Supplement to the Demotion and Lay Off Procedure of the Agreement, and as a result of discussion between the Parties, Company proposes that for the term of the Physical Contract and, if similarly ratified, the Clerical Contract, that any demotions or displacements of employees headquartered in either of the below specified locations shall be by Agreement between the Parties:

Peninsula Division - Golden Gate Region

El Dorado District of Drum Division - Sacramento Valley Region

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.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By *Paul D. Bragg*
 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

Aug 30, 1988

By *Jack McNally*
 Business Manager