PACIFIC GAS AND ELECTRIC COMPANY

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

January 25, 1988

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:

Pursuant to Section 202.16 of the Physical Agreement, Company proposes to extend the 12-hour rotating shift schedule for Pressure Operators at the Marysville Gas Load Center beginning January 18, 1988, until approximately May 1, 1988. The current Agreement 87-8-PGE will expire on January 17, 1988. The pay factor for the Marysville Gas Load Center during this period will be .967742. This specific agreement will be in accordance with the generic 12-hour shift agreement (R2-86-89-PGE) with the exception of the areas noted below.

WAGES

The pay factor for Marysville is .967742 and is based upon a six-week pay cycle.

Four hours of overtime in a 48-hour week will be referred to as code "X" overtime and will be paid at time-and-one-half the adjusted hourly rate. The adjusted hourly rate is determined by multiplying the current hourly rate by a factor of .967742. The other four hours of overtime in a 48-hour week will be considered as code "1" overtime and paid at time-and-one-half the wage rate listed in Exhibit X. All paid time off in a 48-hour week will not reduce the overtime entitlement.

All hours in excess of 36 hours in a 36-hour week and 44 hours in a 48-hour week will be considered code "1" overtime and will be paid at time-and-one-half the wage rate listed in Exhibit X.

HOLIDAYS

The five remaining holidays which the employees elected to observe for the remainder of 1988 are as follows: Memorial Day, July 4th, Thanksgiving, the day after Thanksgiving and Christmas. This agreement will continue in force until such time either party gives the other 60 days' notice of cancellation.

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 attachments and it agrees thereto as of the date hereof.

LOCAL UNION NO. 1245, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

F14, 1988

By Business Manager