PACIFIC GAS AND ELECTRIC COMPANY

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May 3, 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:

Pursuant to the provisions of Subsection 202.16(a) of the Physical Agreement and generic Letter Agreement No. 86-155-PGE, Company proposes to extend through July 1988, a trial ten-hour, four-day workweek schedule for the Gas Service Department, Oakport, Central Division, East Bay Region. The initial trial began in August 1987.

This proposal will follow the generic letter agreement with the exception of the specific items outlined below:

Workweeks

Fifteen (15) Servicemen will be assigned Monday through Thursday. Ten (10) Servicemen will be assigned Tuesday through Friday. Fourteen (14) Servicemen will be assigned Monday, Tuesday, Thursday and Friday, with Saturday, Sunday and Wednesday off.

Nine (9) Servicemen will be assigned Wednesday through Saturday. Four (4) Servicemen will be assigned Sunday through Wednesday. Thirteen (13) Reserve Gas Servicemen will be assigned Monday, Tuesday, Thursday and Friday, with Saturday, Sunday and Wednesday off. The Service Mechanic will be assigned Tuesday through Friday. The work hours for the day shift will be 0730 to 1800 hours. The work hours for the mid-day shift will be 1200 to 2200 hours. The work hours for the night shift will be 1400 to 2400 hours.

Meals and Breaks

Two coffee breaks not to exceed fifteen minutes will be permitted. Breaks are to be taken mid-morning and mid-afternoon. Lunch periods and breaks cannot be accumulated or combined and taken together.

Overtime Meals

No employee shall be required to work more than five hours without a meal except as provided in Section 202.4. Any paid overtime prior to 0730 or after 1800 qualifies for meals per Section 104 of the Agreement.

Sick Leave, Vacation, Holidays, Jury Duty and Funeral Leave

Holidays - Ten hours pay will be paid for holidays. Employees regularly scheduled to work on holidays will only work eight hours and receive ten hours holiday pay (straight time) and eight hours pay at time-and-a-half rate. The provisions of Section 103.6 shall apply to holidays on an employee's non-workday.

The basic pay for a two-week period and paydays will remain the same.

Seniority

All applicable shift assignments will be made on the basis of Central Division Gas Service Department seniority. For the purpose of this agreement, Central Division Service Operator, Relief Service Operator and Service Mechanic time will be accredited as Serviceman's time. The seniority date used will be the most recent date the individual was placed in a permanent Serviceman's classification in Central Division. The provisions apply in all cases where seniority is a factor in this agreement.

Initial Assignment of Shifts

The initial assignment of shifts will be by a sign-up and will be based on the individual's present Central Division Gas Service Department seniority. The effective date of the implementation of this schedule will be no sooner than ten (10) days after the last sign-up is completed.

Filling of Vacated Shifts

The Company will re-post the schedule for sign-ups, which will be based on the individual's present Central Division Service Department seniority. The sign-up list will remain posted for ten (10) working days. Each individual Serviceman will initial his present preference of work schedule based on Central Division Service Department seniority, and the remaining work schedule or schedules will be offered to bid. Servicemen vacating a night or weekend shift to fill a Monday - Friday, 0730 - 1800 shift, will not change schedules until the individual filling the vacant night or weekend shift has been assigned to that position.

Orientation

At the option of the Company, up to a two (2) week orientation period, with the new employee working Monday - Friday, 0730 - 1800, will be allowed for an employee bidding into Central Division before they will be assigned their night or week shift.

Permanent Decrease in Manpower due to Vacant Position

In those cases where the vacancy is not a Monday - Friday, 0730 - 1800 shift, and work load does not warrant filling a vacated Serviceman's position, the Company may elect to place the least senior Serviceman on the Monday -

Friday, 0730 - 1800 shift and assign him to the vacant night or weekend shift. The displaced Serviceman may elect to displace a least senior Serviceman on any other shift.

In those cases where the vacancy is a Monday - Friday, 0730 - 1800 shift and work load does not warrant filling the vacated Serviceman's position, the Company may elect not to do so.

Exchanging of Shifts

Exchanging of shifts on a temporary basis will be permitted upon management approval.

Either the Company or Union reserve the right to return to the five-day, eight-hour shift schedule by giving thirty (30) days' notice should, in the opinion of either Company or Union, the four-day, ten-hour workweek schedule adversely affect the operation of the Company or the employees.

This proposal has been reviewed with and agreed upon by the affected employees and discussed with Mr. Frank Saxsenmeier, 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

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

1988

Business Manager