PACIFIC GAS AND ELECTRIC COMPANY

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

May 9, 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 Section 202.16 of the Physical Agreement, Company proposes to establish a 4-day, 10-hour schedule for certain Hydro Generation employees located at Alta in Central Area Hydro for a test period beginning on June 6, 1988 and ending on September 2, 1988. This specific agreement will be in accordance with the Generic Four-Day, Ten-Hour Agreement (86-155-PGE) except as listed below:

1. AFFECTED EMPLOYEES

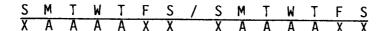
Subject to Union ratification, all Hydro Generation employees in the Central Area except for employees in the Roving Operator, System Operator, Station Attendant, Water Facilities Maintenanceman and Ditch Tender classifications will be placed on the 4-day, 10-hour schedule.

2. SHIFT SCHEDULE

Employees will work an A Schedule as shown below.

A Static Schedule

Monday - Thursday workweek for Schedule A 4 days on/3 days off 8 workdays in a 14-day cycle.



3. HOURS

Work hours will be from 0700 to 1730. Employees will receive a 1/2 hour unpaid lunch from 1200 to 1230.

4. PAYCHECKS

It will be the employees' responsibility to pick up their Friday paycheck on their own time if they are not working that day, providing the checks are not available on Thursday.

5. AREAS OF EVALUATION

The test period will provide an assessment of the 10-hour workday. During the test period, questions on safety, fatigue, productivity, emergency overtime availability, overtime costs, interfacing with other departments, and morale will be evaluated.

6. CANCELLATION

Either the Company or Union reserves the rights to return to the five day. eight hour schedule by giving 15 calendar days notice should, in the option of either Company or Union, the 4-day, 10-hour workweek schedule adversely affect the operation of the Company or the employees.

This proposal has been discussed with Union Business Representatives Bob Gibbs and Ed Fortier.

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 thereof.

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