PACIFIC GAS AND ELECTRIC COMPANY

PGWE +

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

May 16, 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 establish a 4-day, 10-hour schedule for the M&C and Corrosion Mechanics headquartered at the Modesto Service Center for a test period beginning one Monday following approval of the Agreement and ending on year from the implementation date. 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, the two Measurement and Control Mechanics and the Corrosion Mechanic will be placed on the 4-day, 10-hour schedule.

2. SHIFT SCHEDULE

Employees will work on the schedule shown below. Employees will normally work Monday - Thursday except when they are required to work with another department which observes Friday as a regular workday.

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

S M T W T F S / S M T W T F S X A A A A X X X A A A A X X

3. HOURS

Work hours will be from 7:00 a.m. to 5:30 p.m. Employees will receive a 1/2 hour unpaid lunch from 12:00 to 12:30 p.m. Employees will receive two 10 minute breaks; one before lunch and one after lunch.

4. PAYCHECKS

Normally, employee paychecks are available on Thursday of each pay period and every effort will be made to disseminate the checks by the end of the working day. However, in rare instances when checks are not available by Thursday of the pay period, checks will be distributed on the following Monday. Overtime will not be paid for that Friday, Saturday or Sunday.

5. AREAS OF EVALUATION

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

6. CANCELLATION

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

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.

By Rue B Sugar 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

, 1988

Business Manager