PACIFIC GAS AND ELECTRIC COMPANY

PGWE

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March 20, 1989

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 order to better serve the telecommunication needs of the Drum area, the Company decided in February, 1987 to separate the Regional Electric Telecommunications group, consisting of five Telecommunications Technicians, into a Division and Hydro jurisdiction. Three Telecommunications Technicians would serve the Division and two Hydro Telecommunications Technicians would serve the Hydro jurisdiction.

At the time of the implementation of this decision, two Hydro Telecommunications Technicians, Robert L. Chunn and Ken A Bradley, volunteered to accept the position in Auburn, Drum Division, with the understanding that they would have preferential bidding rights to return to Hydro should a vacancy occur. However, this understanding was never formalized.

Therefore, pursuant to Section 206.12 of the Physical Agreement, the Company proposes to formalize the commitment made to these employees by providing them Subsection 206.9(a) rights to Telecommunications Technician, Hydro Generation, Auburn. This Agreement has been reviewed with Union Business Representative, 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.

Very truly yours.

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

Business Manager