PACIFIC GAS AND ELECTRIC COMPANY

245 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6587 PGWE February 6, 1986

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:

We propose to reclassify the following Control Operators and Relief Control Operators, Classification Code 1586, at Martinez Power Plant to Power Plant Operators, Classification Code 1717:

| J. E. Preco | our – | Control | Operato | or | | | |
|-------------|--------------|---------|---------|---------------------|------------|----------|----------|
| E. P. Ettel | . | 11 | 11 | | | | |
| N. N. Wegne | er - | ** | *** | | | | |
| J. A. Webb | - | ** | ff | [Presently | on medical | leave of | absence] |
| R. V. Lucid | lo – | Relief | Control | Operator | | | |
| R. L. Capoz | zo – | ** | 11 | | | | |

The Company is placing Martinez Power Plant in cold shutdown. All maintenance and operating personnel, except the above-mentioned Control Operators, will be relocated to Avon or Oleum Power Plants. We plan to discuss this relocation with you in a separate letter of agreement after we have polled the employees on which plant they prefer to be relocated to.

The job definition for the proposed Power Plant Operators is consistent with the job definition of the Power Plant Operators currently assigned to the Oakland Power Plant and listed on Page 2 of Exhibit VI-B, Job Definitions and Lines of Progression for the Steam Generation Department.

The rates of pay for the Control Operator (1586) and Power Plant Operator (1717) are the same.

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

anager of Industrial Relations

The Union is in accord with the foregoing and it agrees thereto as of the date hereof.

teb 26, 1986

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

Business Manager