Pacific Gas and Electric Company

215 Market Street San Francisco, CA 94106 415/972-7000

May 25, 1989

PG&E

Local Union No. 1245 International Brotherhood of Electric 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 Balch Camp in Southern Area Hydro for a test period of one year beginning on Monday following approval of the Agreement and ending one year from date of implementation. 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 this area except for employees in the Operating and Boarding House classifications will be placed on the 4-day, 10-hour schedule.

2. SHIFT SCHEDULE

Employees will work an A or B schedule as shown below. Employees will normally work the A schedule (Monday-Thursday) except when they are required to work with another department which observes Friday as a regular workday or department requirements dictate B Schedule.

A and B Schedules

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

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3. HOURS

Work hours will be from 0700 to 1730. Employees will receive a 1/2 hour unpaid lunch from 1200 - 1230. Employees will receive 2-10 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 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.

Either the Company or Union reserves the right to cancel this agreement by giving 15 days written notice.

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

By Richard (B. Brand Manager of Industrial Re NA CFF

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

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