



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 07-14-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(925) 974-4104

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700

STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

February 21, 2007

Mr. Tom Dalzell, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Dalzell:

Since 1988, outage recognition programs which award paid time off for achieving defined outage goals have been offered to employees performing work on refueling outages at the Diablo Canyon Power Plant (DCPP). Benchmarking has shown that incentive programs can also encourage employees to work towards safer, shorter, and lower dose outages. These remain primary and important goals of PG&E and for that reason the Company is proposing an ALARA incentive program for the fourteenth refueling outage of Unit 1 (1R14) scheduled to begin in April 2007.

The specifics of the program are attached. The award applies to employees in regularly authorized positions who directly support the outage and employees in regularly authorized positions at Diablo Canyon whose normal job function must continue through the outage.

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 & ELECTRIC COMPANY

By: _____

[Signature]
Stephen A. Rayburn
Director and Chief Negotiator

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

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

By: _____

[Signature]
Tom Dalzell
Business Manager

16 March, 2007

Diablo Canyon Power Plant 1R14 ALARA Incentive Program

ADMINISTRATIVE GUIDELINES

A. General Eligibility

All Generation Business Unit employees, PG&E employees, and Temporary Additional Employees who are matrixed or assigned to Diablo Canyon Power Plant (DCPP) operations in support of the Unit 1 fourteenth refueling outage will be eligible for participation in the program.

The award eligibility will also apply to 1R14 Contractor personnel.

B. Award

Completing refueling outages safely for the lowest reasonable dose is a critical component in Diablo Canyon's drive to be the industry leader. To that end, this program is designed to encourage employees to practice safe and accepted ALARA techniques and to submit ideas and suggestions for improving the ALARA program.

How it works:

- 1) Drawings will be held weekly for gifts with a value not to exceed \$2500. Gifts may be electronic in nature (laptops, home audio systems, plasma televisions, etc.)
- 2) The winners will be provided the option of receiving the gift or its cash equivalent. The winner is responsible for payment of all applicable taxes.
- 3) Drawings will begin two weeks prior to the start of 1R14 and continue through the last week of the scheduled 25 day outage.
- 4) An employee's name will be submitted for the drawing each time the employee accomplishes one of the following:
 - a. The employee **submits a dose reduction idea or suggestion** that is submitted in writing and deemed reasonable by representatives of the ALARA section,
 - b. The employee is **observed practicing excellent dose reduction techniques**. That observation is verified in writing by a supervisor and deemed reasonable by representatives of the ALARA section.
- 5) Once entered, an employee's name will remain in the drawing for the remainder of the six week period, except that an employee will not be eligible for another award after winning once. An employee's name may be entered in the drawing for each qualifying event described in item 4 above.

This program applies only to the Unit 1 fourteenth Refueling Outage (1R14).