

PACIFIC GAS AND ELECTRIC COMPANY

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

May 5, 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:

The Company proposes, pursuant to Subsection 205.1(b) of the Physical Agreement, and Section 13.5 of the Clerical Agreement, to implement an "Employee of the Month" award program on a six-month trial basis in the Sacramento Division of Sacramento Valley Region.

The program is being established to recognize individual division employees who have made a significant contribution to division goals by performing his or her job in an exemplary manner. The contribution can be in productivity, customer service, safety and conduct, assistance to fellow employees, etc.

It is proposed that gift certificates be given to the employee who is named "employee of the month". The gift certificates will be valued at \$150 each and will be redeemable at the establishment chosen by the recipient.

It is our understanding that this proposal has been reviewed with W.R. Greer, Union Business Representative.

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

By Richard B. Bradford / CFP
 Manager of Industrial Relations

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 Jack McNally
 Business Manager

July 5, 1988, 1987