



LETTER AGREEMENT

No. 92-124-PGE



Pacific Gas and Electric Company
Industrial Relations Department
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International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
P.O. Box 4790
Walnut Creek, California 94596
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Ronald L. Bailey, Manager or
David J. Bergman, Director and Chief Negotiator

Jack McNally, Business Manager

September 11, 1992

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally

Gentlemen:

During the last General Negotiations, the parties agreed to establish a Healthwise program to enhance the quality of the employees' lives by the promotion of health and fitness through education and the support of healthy lifestyles. In conjunction with the Company-wide program and in recognition of the unique working environment for hydro plant employees, Hydro Generation proposes to establish an Employee Physical Fitness Program (EPFP) that will allow its' employees to "co-invest" with PG&E in membership with targeted fitness organizations. In order to provide a consistent approach, Company proposes the following provisions be applicable to all such programs implemented after the date of signature of this agreement. The provisions of this agreement may only be put into effect if local hydro management and the respective Union Business Representative elect to do so.

PROPOSED PROGRAM STRUCTURE

GENERAL PROGRAM DESIGN:

During 1992, the EPFP will allow Hydro Generation employees to join a quality fitness organization at reduced initiation and monthly dues rates. Employees will be eligible to receive further financial assistance through a sponsored "co-investment" plan. This co-investment plan allows eligible employees to receive 100% (maximum \$200) off their one-time initiation fee and up to 35% (maximum \$25) of their normal monthly dues paid. To remain eligible for co-investment benefits, an employee must maintain a regular pattern of use at their fitness facility.

TAX IMPLICATIONS:

The IRS view fitness facility memberships as "services." Therefore, participating employees will be responsible for paying tax at the ordinary income level for the value of PG&E's co-investment. For example, if PG&E pays \$400 annually towards an employee's membership and dues, that employee would see an additional \$400 inputted to his/her gross W-2 earnings at year's end. The employee is responsible for taxes due on this \$400.

LOCAL MANAGEMENT DISCLAIMER:

Each area maintains the right to operate the EPFP in the manner and fashion it deems appropriate. Local programs will be established only if there is sufficient employee interest to initiate and manage the program. Management of this program by employees will be considered as voluntary and non-compensable. Further, the establishment of the EPFP in no manner entitles employees to compensation outside of that settled upon during the course of recognized collective bargaining.

The administrative Steering Committees will have full responsibility for fair and equitable administration of the program. Therefore, only disparate treatment issues concerning the establishment and application of eligibility and/or usage standards will be subject to the grievance procedure.

The administrative guidelines for participation in the program are attached and considered part of this agreement. Company reserves the right to suspend and/or cancel any and all part of this agreement upon fifteen days notice.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided below and return an executed copy to the Company.

PACIFIC GAS & ELECTRIC COMPANY

By:
Director and Chief Negotiator

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**

Jan 21, 1993
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By:
Business Manager

EMPLOYEE PHYSICAL FITNESS PROGRAM

ADMINISTRATIVE STEERING COMMITTEE

An Administration Steering Committee comprised of 3 to 5 program participants will be established in each watershed or area office to determine the most efficient and effective manner to operate the program in a professional, businesslike manner. The Committee will be responsible for finalizing the program proposal, completing a participant's contract, promulgating Administrative Guidelines under which the program will operate, and managing the on-going program activities.

A management employee will be assigned to the position of Committee Liaison for a one-year period in each watershed or area. This position will serve to foster and support the Committee and to ensure that the program is allowed to be truly "employee managed."

ADMINISTRATION COMMITTEE/ADMINISTRATIVE GUIDELINES

The following guidelines for participation in the EPFP program will apply:

1. An eligible participant must be a regular, full-time employee of Hydro Generation.
2. Eligible employees must agree to the following program membership conditions:
 - A. Imputed tax responsibility;
 - B. Agree to and sign a disclaimer of liability protecting PG&E and Hydro Generation from any injury or damage that may occur as a result of being a program member.
 - C. Hydro Generation will pay 100% (maximum \$200) towards each employee's one-time initiation fee and 35% (maximum \$25) monthly towards each employee's dues assuming all conditions of the program agreement are met.
 - D. The EPFP is a budget-driven program requiring annual funding. Failure to gain specific annual funding may result in program suspension or cancellation. In the event of program suspension or cancellation, each employee will be responsible for accepting full financial responsibility for any contract he/she entered into with a fitness organization.
 - E. This program is expressly managed by Hydro Generation and Company has exclusive jurisdiction over all matters concerning funding levels, program evaluation and fitness providers.
 - F. Participants are individually responsible for maintaining the currency of their payment accounts with their selected fitness organizations. Hydro Generation accepts no responsibility for initiation fee or monthly dues payment beyond that expressly indicated in this proposal.
 - G. Program participants must maintain a "regular pattern of use" at their selected fitness facility. A "regular pattern of use" is defined as:

"Attending a fitness facility for the purpose of exercising an average of 2 times a week during each six-consecutive-month period." (Must attend at least 52 times during each six-consecutive-month period.)

An employee's failure to participate regularly during any six consecutive month period will result in his/her suspension from the program. If a suspended employee, at his/her own expense, maintains a regular pattern of attendance as described above for a period of six consecutive months, he/she will become re-eligible for program participation.

Attendance records will be made available to the Committee for use in determining whether use pattern guidelines are being met. Each participant is responsible for ensuring the accuracy of his/her attendance records and providing them to the Committee each month.

EXCEPTIONS: Those employees on an approved leave of absence, workers' compensation or extended sick leave may request an exception to the preceding guidelines. Requests for an exception must be made by the affected employee in writing to the Committee during a regularly scheduled meeting.

- H. If an employee is not satisfied with the services provided by a specific fitness facility, he/she may make a one-time membership change to a new facility. Initiation fee and monthly dues co-payments will apply to this one-time change of membership. Upon an employee's second change of membership, no initiation fee co-payment will be made. Employees who are precluded from continuing membership by the fitness facility for any reason will not be eligible for co-payments of monthly dues or initiation fee and will be precluded from EPFP participation for a one year period.
- I. Employees who resign, are discharged or laid off for any reason will no longer be eligible for participation effective within 30 calendar days of said action.
- J. Memberships are not transferable between employees or to a non-employee.
- K. Company reserves the right to suspend and/or cancel any and all part of this agreement by providing fifteen days notice.