



**LETTER AGREEMENT
NO. 96-12-PGE**

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
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INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

MEL BRADLEY, MANAGER OR
DAVID J. BERGMAN, DIRECTOR AND CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

February 13, 1996

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Since 1988, Outage Incentive 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). The most recent agreement, 95-49, covered the seventh refueling outage of Unit 1.

Because the program has proven to be highly effective by minimizing outage duration while focusing on established safety and quality standards, the Company proposes an outage incentive program for the seventh refueling outage of Unit 2 (2R7) scheduled to begin in April 1996.

The details of the proposed Outage Incentive Program for the 2R7 outage are provided as Attachment A. The administrative guidelines are provided as Attachment B.

Employees assigned to NPG or other employees who are assigned to directly support the 2R7 outage are eligible to participate in the Outage Incentive Program. Specific eligibility will be determined by the Outage Incentive Program Administrator.

This proposal applies only to the 2R7 refueling outage and shall not be construed as a commitment to propose any such program in the future.

As we would prefer to communicate the Outage Incentive Program prior to the NPG employee communication meeting scheduled for February 28, we respectfully request that you consider this proposal before that date.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Chief Negotiator

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

 _____, 1996

By: 
Business Manager

ATTACHMENT A

Diablo Canyon Power Plant 2R7 Outage Incentive Program Criteria PG&E Regular Status and Temporary Additional Employees

I. Safe & Error-Free:

| | <u>Outage Window/Description</u> | <u>Incentive Hours</u> |
|-----|--|------------------------|
| 1 | Separate from Grid to Set RX Head on Stand | 4 |
| 2 | RX Head on Stand to RX Core Unload | 3 |
| 3 | RX Core Unload to RX Core Reload | 4 |
| 4/5 | RX Core Reload to Mode 5 | 3 |
| 6 | Mode 5 to Mode 4 | 2 |
| 7 | Mode 4 to Parallel to Grid | 3 |
| 8 | Power Ascension | 1 |
| | | 20 |

*Personnel Related Errors, including any that lead to Disabling Injuries, will be evaluated by the NPG Managers at the end of each window. Should any error occur in any one window, then that window incentive will not be awarded. For example, if a personnel related error occurs as a result of procedural non-compliance, the incentive hours available for that window will not be earned. Any personnel related error that leads to an NCR will automatically result in no hours earned for that window. In addition, if an error occurs that results in serious personnel injury or damage to plant equipment, then all hours available for the entire Safe and Error-Free incentive section will be lost. Partial incentive earnings may be considered under special circumstances. The Senior Vice President of Nuclear Power Generation may, at his sole discretion, reduce the **total** incentive hours earned, even up to the full amount of the outage incentive, if there are extraordinarily large numbers, or extraordinarily significant personnel related errors associated with **any one or more** outage windows.*

II. ALARA:

A. Personnel Radiation Exposure Waste Reduction

| <u>Radiation Exposure (Person-Rems)</u> | <u>Incentive Hours</u> |
|---|----------------------------|
| ≤ 150 | 10 |
| ≤ 900 cubic feet | 2 |
| > 150 ≤ 165 | 8 |
| > 165 ≤ 175 | 3 |
| > 175 | 0 |

B. Radioactive

2R7 Outage Incentive Program Criteria (cont.)

III. Outage Plan:

The Outage Plan duration is defined as the time between opening the breaker when we first come off line to closing the breaker when we parallel to the grid. **Note:** If the overall outage duration reaches 55 days, the incentive hours for the ENTIRE PROGRAM will be reduced to zero, regardless of results achieved in all other incentive areas. This is based on a target duration of 36 days, a Westinghouse plant 1995 median outage duration of 46 days, and the resulting negative impact on corporate earnings and shareholder value.

Should conditions occur for any reason during power ascension that require the breaker to be reopened for more than two (2) days, we are back into the outage and for the purposes of the incentive calculation, the duration count will continue. If this occurs, the power ascension time clock would be reset to zero at the second breaker closing, and the incentive for power ascension could still be earned.

A. Breaker to Breaker Outage Plan

| <u>Outage Plan Days</u> | <u>Incentive Hours</u> | <u>Outage Plan Days</u> | <u>Incentive Hours</u> |
|-------------------------|------------------------|-------------------------|------------------------|
| # of Days \leq 36 | 20 | # of Days \leq 42 | 4 |
| \leq 37 | 17 | \leq 43 | 3 |
| \leq 38 | 14 | \leq 44 | 2 |
| \leq 39 | 11 | \leq 45 | 1 |
| \leq 40 | 8 | $>$ 45 | 0 |
| \leq 41 | 6 | | |

B. Ascension to Full Power (Quality of Outage Work)

Incentive is for 48 hours of continuously running at \geq 90% within 6.5 days from closing of the main generator output breaker.

Incentive Hours

4

IV. Other Occurrences:

The Senior Vice President of Nuclear Power Generation may, at his sole discretion, reduce the incentive hours earned if adverse quality, safety, performance or regulatory issues arise that have a significant direct impact on outage results or overall plant performance. Such issues may include, but are not limited to, major violations of regulations, significant radiation overexposure, significant personnel injuries or employee fatalities and "trips" that occur due to outage-related work prior to the scheduled start of the outage. The Senior Vice President also has the discretion to increase the incentive hours earned for performance significant beyond expectation. Note the maximum incentive is 56 hours.

ATTACHMENT B

Diablo Canyon Power Plant 2R7 Outage Incentive Program PG&E Regular Status and Temporary Additional Employees

ADMINISTRATIVE GUIDELINES

A. General Eligibility

All NPG employees and PG&E employees who are matrixed or assigned to Diablo Canyon Power Plant (DCPP) operations in support of the Unit 2 Seventh refueling outage will be eligible for participation in the program.

PG&E employees from outside of NPG that contribute to the outage are eligible for the incentive at the discretion of their management.

Participants who leave before the end of their outage assignment or who are terminated will not be eligible for an outage incentive award. Specific employee eligibility will be determined by NPG management and Human Resources.

B. Individual Award Determination

The 2R7 Outage Incentive Program provides for an option of additional paid time-off or a monetary award, similar to past Outage Incentive programs.

1. Individual incentives will be determined by the final incentive determination of the Senior Vice President of NPG based on the program criteria outlined in the 2R7 Outage Incentive Program for PG&E Regular Status Employees and Temporary Additional Employees.
2. The individual incentive basis applicable to the employee's organization and status is as follows:
 - a) NPG Regular Full-Time Employees and other matrixed PG&E employees who work at DCPP full time, who are on active payroll at the end of the outage, will receive the full incentive earned.
 - b) Other PG&E Regular Full-Time Employees will receive a prorated incentive based on the number of days worked in support of the outage as outlined under "Pro-Rated Incentives" below.

- c) Outage Temporary Additional Employees, Co-ops, and Summer Interns will receive an incentive based on the same criteria as outlined in 2.b) above. Assignments must be completed to be eligible for the incentive. Pro-rated incentives as outlined in "C" below apply as well.
- d) Employees in Full-Time Equivalent Job Share Arrangements will receive an incentive the same as full-time employee, but allocated according to the job share arrangements.
- e) PG&E part-time employees will receive an incentive equivalent to full-time days worked in support of the outage.

C. Pro-Rated Incentives

For eligible employees who work a number of days not equal to the actual time between "breaker open to Mode 4", the individual incentive will be determined by dividing the total number of days worked in direct support of the outage* by the total number of days from breaker open to Mode 4. Awards will be rounded to the nearest whole hour.

Example: If the final incentive hours earned determined by the SR. VP - NPG is 40 hours,
And, if the "breaker open to Mode 4" actual duration is 33 days,
And, if a matrixed employee works 18 days in support of the outage:

Individual Incentive = $(\frac{18 \text{ days worked in support of the outage}}{33 \text{ days = actual breaker open to Mode 4}}) \times 40 \text{ hours final award}$
= 22 hours earned

* The number of days worked in direct support of the outage may include time worked just prior to the breaker open period, if the individual's assignment is scheduled to complete before we reach Mode 4.

Examples: access & badging personnel, trainers, planners & schedulers.

D. Incentive Award Election

An election form will be sent to all eligible PG&E employees once the earned award is determined following the completion of Power Ascension. Employees will be asked to specify the amount of additional time off they select, if any, with the remainder to be received as a monetary award. Employees will be requested to return their election form within two weeks of issuance. If the form is not returned on time, the employee will automatically receive the default monetary award. Employees who elect additional paid time off will be required to use such additional paid time off prior to using vacation under Title 111 of the Agreement. Any additional paid time off earned under this program must be used by December 31, 1997. Any unused portion of such paid time off not used by December 31, 1997 will be eliminated and the employee will be reimbursed for the unused time off.

Temporary Additional workers will only be eligible to receive the monetary award.

E. Term

This program applies only to the Unit 2 Seventh Refueling Outage (2R7).

F. Exceptions

All exceptions will be directed to the Outage Incentive Program Administrator, NPG Human Resources and will be subject to Officer approval.

G. Contractors

If applicable, outage contractors will receive an outage incentive which has been negotiated as a part of their employer's contract with PG&E. Any questions should be referred to the contractor's employer.