

Pacific Gas and Electric Company

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

October 9, 1989

Local Union No. 1245
 International Brotherhood of
 Electrical Workers, AFL-CIO
 P.O. Box 4790
 Walnut Creek, CA 94596



Attention: Mr. Jack McNally, Business Manager

Gentlemen:

The Company proposes to grant additional paid time off hours for eligible employees to encourage the lowering of the duration of the 1989 refueling outage of Diablo Canyon Power Plant Unit 1.

Background

The Company has established the corporate goal of "operate the Diablo Canyon Nuclear Power Plant at the highest level of safety, reliability, and performance." A key variable to be addressed in the achievement of this goal is the conduct of planned refueling outages. Such outages should be as short as possible consistent with performing all necessary work in accordance with established safety and quality standards.

To achieve its outage goals, the nuclear organization has studied its own experience and that of others throughout the world, and employs advanced planning and scheduling techniques and the latest hardware and procedural enhancements. To date, this has resulted in DCPD outage durations of 82, 102, 123, and 129 days, or an average of 109 days. By comparison, the national average refueling outage duration for Westinghouse 4-loop plants is 118 days, and the median is 93 days. Thus, Diablo Canyon's performance has been about average for similar plants, but it has not yet achieved outage durations of 50-60 days, as are an increasing number of plants.

Such outages can only be achieved by a total team effort, where all work is done efficiently and correctly the first time. This proposal is intended to encourage such an effort, and to reward people if the goals are achieved.

Proposal

The Company proposes to award additional paid time off hours to all eligible employees in accordance with the duration of the 1989 refueling outage of Unit 1 (scheduled to start on October 13, 1989) as follows. A special code will be developed for these hours for payroll purposes. An employee will also have the option of selling part or all of the hours in no less than four-hour increments.

<u>Outage Duration</u>	<u>Additional Vacation Hours</u>
> 84 Days	0
79-83 Days	8
74-78 Days	16
69-73 Days	24
64-68 Days	32
≤ 63 Days	40

The additional paid time off hours will be modified if certain safety standards are/are not achieved as discussed in Exhibit 1.

Additional paid time off hours will be added to an employee's total paid time off that the employee would otherwise be entitled to in 1989 (if the outage is completed in 1989) or 1990. If awarded in 1989, all additional hours may be deferred until 1990. Taking any additional hours in 1989 is encouraged, but is subject to maintaining crew strength at the end of the year. The additional paid time off hours deferred to 1990, or awarded in 1990, will be handled concurrently with 1990 current vacation hours in terms of scheduling, deferment, buy-back, etc.

Attached as Exhibit 1 are the safety variables relevant to the outage and the criteria that would modify any proposed additional paid time off hours.

Eligibility

All IBEW PG&E NPG and employees matrixed to NPG or permanently assigned to DCPD will be eligible. The total count of employees (estimated in the Nuclear Reward and Recognition Project by ESB Human Resources) is 1847.

Term

This proposal applies only to the 1989 refueling outage of Unit 1. It does not entail a commitment to propose any such program in the future.

If you are in accord with the foregoing and attachment 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. Bradford
Manager of Industrial Relations

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

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

Oct 10, 1989

By Joe M. M. M. M.
Business Manager

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Safety Criteria

It is essential that outage activities, as with all DCPD activities, be performed in accordance with established safety and quality standards. Therefore, the proposed additional vacation hours would be modified as follows by a safety factor composed of certain variables relevant to the outage:

A. Radiation Releases

A radiation release greater than Technical Specification limits will result in the awarded vacation hours being reduced by 16 hours.

B. Personnel Radiation Exposure

Man-rem exposure during the outage affects awarded hours as follows:

- (1) for ≤ 310 man-rem, add 4 hours
- (2) for > 310 but < 400 , no change
- (3) for > 400 , subtract 4 hours

C. Major Occurrences

The Vice President, Nuclear Power Generation, and Union's Business Manager may reduce or increase the awarded hours based on A or B above for significant adverse safety occurrences not otherwise captured in the previous criteria. Such occurrences could involve major violations of NRC regulations, significant personnel injuries or employee fatalities. The reduction will be based upon judgement after weighing the severity of the occurrence and the extent to which employee action causes, or could have prevented it.