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January 30, 1991

IBEW

International
Brotherhood of
Electrical
Workers, AFL-CIO

Mr. Richard B. Bradford
Manager of Industrial Relations
Pacific Gas & Electric Co.
215 Market St., Room 916
San Francisco, CA 94106

Jack McNally
Business Manager

Howard Stiefer
President


RE: LA R2-90-215-PGE

Dear Mr. Bradford:

Letter Agreement proposal R2-90-215 is being signed with the following understandings:

- The provisions of item number six does not supercede or cancel any other agreement between the parties such as Letter Agreement 88-104 and Exhibit XII of the Agreement.
- The Committee referred to in item number eight shall be comprised of an equal number of participants as appointed by Union's Business Manager and Company's Manager of Industrial Relations.

Yours truly,


Jack McNally
Business Manager

Enclosure

DM:lm



LETTER AGREEMENT No.

R2-90-215-PGE



Pacific Gas and Electric Company
Industrial Relations Department
215 Market Street
San Francisco, California 94106
[415] 973-1125

International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
P.O. Box 4790
Walnut Creek, California 94596
[415] 933-6060

Richard Bradford, Manager

Jack McNally, Business Manager

January 24, 1991

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:

East Bay Region proposes to implement a "Continuous Improvement Process (CIP)" throughout all Divisions and Departments within the Region. This CIP is an effort to increasingly involve employees in work related activities and decisions, improve quality of work life, promote more effective team work and increase productivity at local work groups throughout the Region.

To clarify our understanding and mutual expectations in the program, we propose the following conditions:

1. A Continuous Improvement Process Steering Committee will be created to develop the goals and policies of this program. This Steering Committee will be comprised of the East Bay Region Vice President and the IBEW Business Manager. The Steering Committee will meet as often as needed but at least once a year.
2. In addition to the Steering Committee, the CIP shall have an Advisory Committee to consist of representatives from the Union and the Company's management. The size of the Committee, as well as the frequency of their meetings, shall be determined by the Committee.
3. Several Continuous Improvement Teams will be created at operating locations throughout the Region. Team members will be selected by the respective work groups. Team leaders will be selected by team members. Subject to the restriction in No. 4, Continuous Improvement Teams will have authority to identify, discuss, and investigate problems and make recommendations on possible improvements. Teams may be established to address specific problems and dissolved upon completion of activities related to that problem. Continuous Improvement Teams will be given a minimum of four hours paid time off per month for purposes of participating in Continuous Improvement Team activities. The Union's Business Rep or designee may monitor the teams as appropriate.

4. The following issues are beyond the appropriate scope of issues which Continuous Improvement Teams may discuss and submit recommendations:
 - o Issues subject to collective bargaining
 - o Disciplinary issues
 - o Interpersonal conflicts and/or personality conflicts
5. Continuous Improvement Teams may discuss some local working conditions normally subject to local agreement process only after receiving permission from the Company and Union representatives who have authority to enter into agreements on such working conditions. The Continuous Improvement Team, after being given permission to discuss such issues, must then submit any proposed recommendations or solutions to the appropriate authorizing representatives for their approval prior to implementation of the revised working conditions.
6. There will be no demotions or lay-offs of regular employees as a direct result of the CIP in East Bay Region. In the event there is an impact on the workload as a direct result of the CIP that is not handled through attrition, the parties will meet to discuss avenues of addressing such impact.
7. The Company will provide training to team members, team leaders, and Facilitators in the CIP.
8. A Committee will be formed to resolve issues associated with the Ideas in Action program. The parties will also meet and confer on a regular basis to study and resolve other issues that may arise in the establishment of this program.
9. This agreement may be cancelled upon 30 days written notice to the other of such cancellation.

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

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By RO DUBOIS
Manager of Industrial Relations

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 30, 1991

By Jack McKinley
Business Manager