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Pacific Gas and Electric Company

375 North Wilter Earl Closure 1847 Alainut Greek (GA 34896) 613/746-4282

June 2, 1993



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

Attention: Mr. Jack McNally

Gentlemen:

The Company is officially notifying you of the cancellation of Letter Agreement R3-91-158 as provided in that agreement dated March 3, 1992, "ENCON EXCELLENCE AWARD."

Sincerely,

David J. Bergman

Director and Chief Negotiator

DJB:mh

cc: William J. Eddy

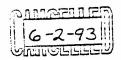


LETTER AGREEMENT

No. R3-91-158-PGE



Pacific Gas and Electric Company Industrial Relations Department 201 Mission Street, 1513A San Francisco, California 94105 [415] 973-3420



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

Ronald L. Bailey, Manager or David J. Bergman, Director and Chief Negotiator

Jack McNally, Business Manager

March 18, 1992

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:

This cancels and supersedes our letter dated March 3, 1992 on the same subject. Company proposes to implement an ENCON Excellence Award program that recognizes truly exceptional work that clearly exceeds normal expectations in achieving ENCON's mission by providing monetary awards, on a trial basis.

In February 1990, ENCON announced the implementation of the non-monetary Excellence Award program. This proposal modifies this program to add a monetary component.

All regular PG&E employees are eligible to receive an individual award and all PG&E employees are eligible to receive a group award. The award may either be for an individual or group depending on the activity/project. Each nomination will be evaluated by the appropriate ENCON Department Manager and if he/she concurs, the nomination will be forwarded to the Award Review Committee. The Award Review Committee consists of six members: an officer, two managers/chiefs, one IBEW staff member, one IBEW-represented employee, selected by the Business Manager of Local Union 1245 IBEW, and one first-level exempt supervisor. The Award Committee will evaluate the nomination against the following criteria:

o normal expectations must be clearly exceeded and

o the effort should demonstrate a commitment to ENCON's key priorities of client focus, keeping commitments, and providing the best value.

If applicable, the Award Review Committee will also review:

- o elements of the project/activity that were innovative and unique,
- o how the effort demonstrated reasonable, calculated risk taking while not compromising safety, and/or
- o how the effort provided the level of quality expected by the client.

The Award Review Committee, based on their evaluation, will determine the appropriate monetary award which will range from \$500 to \$10,000 for General Manager's and Vice President's Awards. A Department Manager or Chief may award \$400 for Department Head's Awards.

Company and Union agree that this program, its selection criteria, awards and size of awards are not proper subjects for the grievance procedure.

Both parties have the right to cancel the program with a 30-day notice.

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.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

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

March 19, 1992

Rusiness Manage