



# LETTER AGREEMENT NO. 02-15-PGE



PACIFIC GAS AND ELECTRIC COMPANY  
INDUSTRIAL RELATIONS DEPARTMENT  
2850 SHADELANDS DRIVE, SUITE 100  
WALNUT CREEK, CALIFORNIA 94598  
(925) 974-4104

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, AFL-CIO  
LOCAL UNION 1245, I.B.E.W.  
P.O. BOX 4790  
WALNUT CREEK, CALIFORNIA 94596  
925-933-6060

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STEPHEN A. RAYBURN  
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN  
BUSINESS MANAGER

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April 16, 2002

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

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

Since 1988, outage recognition 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, 01-21, covered the tenth refueling outage for Unit 2 (2R10). That award was based on a gain-sharing model that provided a percentage of any additional revenue or cost reduction from safer, shorter and more cost effective outages.

Since the last outage incentive agreement, there has been a change in the method by which PG&E is compensated for power generated at Diablo Canyon. As a result, there is no increase in revenue as a result of shorter outages and the formulas used in prior programs to determine the award amount are not valid. Nonetheless, performing safer, shorter and less expensive outages remain primary and important goals of PG&E and for that reason the Company is proposing an outage recognition program for the eleventh refueling outage of Unit 1 (1R11) scheduled to begin in April 2002.

The specifics of the program are attached. This program differs from the previous program in the following manner:


- The award applies to employees in regularly authorized positions who directly support the outage or employees in regularly authorized positions at Diablo Canyon whose normal job function must continue through the outage. The award will not apply to temporary additional employees, hiring hall employees or contractors.
- Any award that is earned will be in paid time off which must be taken prior to any regularly authorized vacation under the labor agreement. Employees will not be provided the election to convert such paid time off to pay.
- A security violation goal (emphasizing the need for protecting the Plant in light of September 11 events) and a power ascension goal (directly relating to reliability of the Plant and the importance of quality work) were added.

- There is no set formula for determining incremental award hours. Following power ascension, the overall award will be assessed by management against the pre-determined outage goals. If 1R11 is completed in 30 days, at a cost of 30 million, with all safety and power ascension goals met, an award of 20 hours of paid time off will be granted. The award amount is consistent with that achieved through similar performance in 2R10. Additional hours of paid time off may be granted at management's discretion should performance exceed the goals.

If you are in agreement with the foregoing and attachment, and agreed 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

By:   
\_\_\_\_\_  
Stephen A. Rayburn  
Director and Chief Negotiator

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

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

May 13, 2002

By:   
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Perry Zimmerman  
Business Manager

**DIABLO CANYON POWER PLANT** ■**UNIT 1 ELEVENTH REFUELING OUTAGE****PERFORMANCE RECOGNITION****PROGRAM**

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The 1R11 Outage Performance Recognition Program has been designed to recognize the performance of the organization in the areas of Safety, Cost, and Generation.

The 1R11 program has two components:

- (1) Immediate recognition of individuals or groups with non-monetary awards (group meals, meal tickets, T shirts, etc.) during the outage, based on excellent performance in the achievement of specific milestones.
- (2) Recognition of the outage team as a whole after the outage based on total plant performance and meeting our goals in the three key areas of safety, cost and generation.

Based on benchmarking of other utility's outage incentive awards and using the excellent 2R10 performance and incentive as a starting point (2R10 earned 17 hours vacation for good safety performance, a 29.5 day duration and \$30M cost), 20 hours of vacation can be earned if 1R11 is completed safely, within 30 days, and at a cost of \$30M. A few additional hours may be earned if the outage is of shorter duration and/or cost less than 30/30.

This award applies to employees in regularly authorized positions who directly support the Outage or employees in regularly authorized positions at Diablo Canyon whose normal job function must continue through the Outage. The award will not apply to temporary additional employees, hiring hall employees or contractors. The award will be paid as additional time off with pay. Employees will not be provided the option of selling the award hours back to the Company.

In the past, the sale of award hours was allowed since shorter and cheaper outages delivered increased revenues to PG&E that could be shared with employees. With the new rate case for DCP, this direct relationship does not exist since no additional cash is generated by shorter outages. Nonetheless, having safe, short, cheaper outages is still our goal to be an industry leader, has value to PG&E and one which should be rewarded.

**I. Recognition during the outage**

During the outage, groups and/or individuals will be recognized as successes linked to our goals occur. Departments are encouraged to recognize groups from other departments. Recognition can be in the form of meal tickets, group meals, useful items and other non-cash methods.

**II. Recognition after the outage**

After the outage, the NPG Officers will determine an overall recognition award, based on performance against pre-established outage goals. If 1R11 is completed with all safety goals met, 30 days duration, \$30M in cost and power ascension completed within the goal, 20 hours of vacation will be awarded. Performance will be evaluated as follows: roughly a third of the award will be based on cost, a third on duration and power ascension, and a third on safety. A few additional hours may be awarded at the sole discretion of the NPG Officers if the outage is of shorter duration and/or cost less than 30/30.

If significant events occur that dramatically affect safety, the NPG Officers reserve the right to adjust this amount accordingly, up to elimination of the award for very serious events.

**III. Outage Goals**

Goals have been established in areas that are in alignment with the NPG Triangle - Safety, Cost, and Generation and apply to all individuals supporting the outage. The award hours are aligned accordingly.

# Excellence Across the Board



AREA	GOAL
<p><b>Safety</b></p> <ul style="list-style-type: none"> <li>• Industrial Safety</li> <li>• Radiological Safety</li> <li>• Nuclear Safety</li> <li>• Human Performance</li> </ul>	<p>Zero (0) DI's</p> <p>≤ 135 person-Rem</p> <p>No Challenges to Decay Heat Removal</p> <p>No Significant Equipment Damage</p> <p>No Significant Security violations.</p> <p>No Significant Human Performance Errors</p>
<p><b>Cost</b></p> <ul style="list-style-type: none"> <li>• Incremental Expense</li> </ul>	<p>≤ \$30 Million</p>
<p><b>Generation</b></p> <ul style="list-style-type: none"> <li>• Schedule</li> <li>• Power Ascension</li> </ul>	<p>≤ 35 Days (budget) with &lt;30 day goal</p> <p>≤ 5.5 Days</p>

## IV. Performance Award

### During Outage

During the outage, individuals or groups will be recognized as successes linked to our goals are achieved. This type of recognition can take many forms and the decision of what is appropriate will be left to the individual or department responsible for or benefiting from the accomplishment.

After Outage

Following the completion of Power Ascension, the NPG Officers will assess overall Outage performance against the Outage Goals to determine the distribution of the 20 hours of available award. More specific details regarding this assessment are provided in Section II.

**V. Administration**

After the award hours have been determined by NPG Officers (following power ascension), the award will be administered as follows:

- Employees in regularly authorized positions who directly support the Outage or employees in regularly authorized positions at Diablo Canyon whose normal job function must continue through the Outage will receive the award hours as paid time off.
- Employees awarded paid time off must use such paid time off prior to any regularly authorized vacation. It may not be sold back to the Company.
- The award will not apply to temporary additional employees, hiring hall employees and contractors.