

**PACIFIC GAS AND ELECTRIC COMPANY**

PGE + 245 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6587

December 8, 1987

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Company proposes to establish a trial Attendance Management Incentive Program for the employees at the Decoto Pipeyard. The trial will begin following the execution of this letter agreement and end September 30, 1988.

The program guidelines are as follows:

1. For each basic workweek that an employee is at work for 40 hours, excluding overtime, he/she can place his/her name in the drawing.
2. Tardiness (exceeding 7 1/2 minutes), sick leave, vacation, doctor appointments, dentist appointments, etc., automatically disqualify an individual for that week. An employee must be "on the property" for the full 40-hour basic workweek to retain eligibility for that week.
3. At the end of each calendar quarter, a single name will be drawn.
4. The individual whose name is drawn will receive an incentive award.
5. The award will be a gift certificate worth a net value of \$200.00 after taxes. The employee will choose the type of gift certificate desired within reasonable limits (i.e., no lottery tickets, alcohol, race track tickets).

6. Both parties agree to a standard "sunset clause" wherein either party can request cancellation by giving a minimum 15 days' notice; however, the actual cancellation date will be the end of the quarter.
7. Both parties will meet to determine the effectiveness of the program after a reasonable period of time. If an overall improvement is seen in attendance, the possibility of removing active letters on attendance issues (as a prelude to positive discipline) will be discussed.

Please note that the provisions of this proposal may be modified after the forthcoming generic guidelines are agreed to.

This matter has been discussed with Frank Saxsenmeier, Union Business Representative.

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.

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By Richard B. Bragg  
Manager of Industrial Relations

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

Dec 31, 1987

By Jack McHenry  
Business Manager