PACIFIC GAS AND ELECTRIC COMPANY

215 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 972-7000 • TWX 910-372-6587

December 29, 1988

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

Attention: Mr. Jack NcNally, Business Manager

Gentlemen:

General Construction implemented an Attendance Incentive Program at the Davis Service Center in 1988 per Letter Agreement 88-64. The Company proposes to continue the program for 1989.

The specifics of the 1989 program are:

- A. The service center will be divided into five groups:
 - 1. Auto Shop
 - 2. Tool Repair
 - 3. Warehouse
 - 4. Office
 - 5. Night Shift
- B. On a monthly basis, the above group with the lowest average sick leave hours used per employee will receive the equivalent of a \$7.50 award credited to the employees as a group. The average sick leave hours will be determined by the number of sick leave hours in the group divided by the number of employees in the group in that period.
- C. The award amount may not be taken in cash, but may be utilized for personalized items or lunches. Also, it may be distributed monthly per Item B or at the end of the year payable in December 1988 to be determined by each group.
- D. In case of first place ties, both groups will receive the \$7.50 award credit.
- E. Measurement Period will be December 1, 1988 thru November 30,

G. Employees who exceed 80 hours of sick leave usage during the measurement period will not be eligible for the award.

This agreement would allow Davis Service Center to provide the above award for 1989.

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 AND ELECTRIC COMPANY

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

. 1988

ELECTRICAL WORKERS, AFL-

Business Manager