



LETTER AGREEMENT

No. 93-8-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

January 14, 1993

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

Attention: Jack McNally, Business Manager

Gentlemen:

Company is proposing a revised Employee Invention Policy (attached) to provide guidelines for managing employee inventions. This policy is not intended to modify the Company's ongoing Ideas in Action Program. As you know, this proposed policy has undergone numerous internal reviews as well as your previous review.

This revised copy no longer includes the requirement that employees inform the Company on the activity of other employees. The proposed letter notifying employees of this policy (attached) has also been modified by deleting the language which stated that Company has the right to change, rescind, or add to the practices described in the policy at its sole discretion.

Based on the categories of employees described, it appears there would be limited application in the IBEW units. Your agreement is requested, however, to establish these conditions of employment should the need arise.

If you are in accord with the foregoing and attachments 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

By *David Bergman*
Director and Chief Negotiator

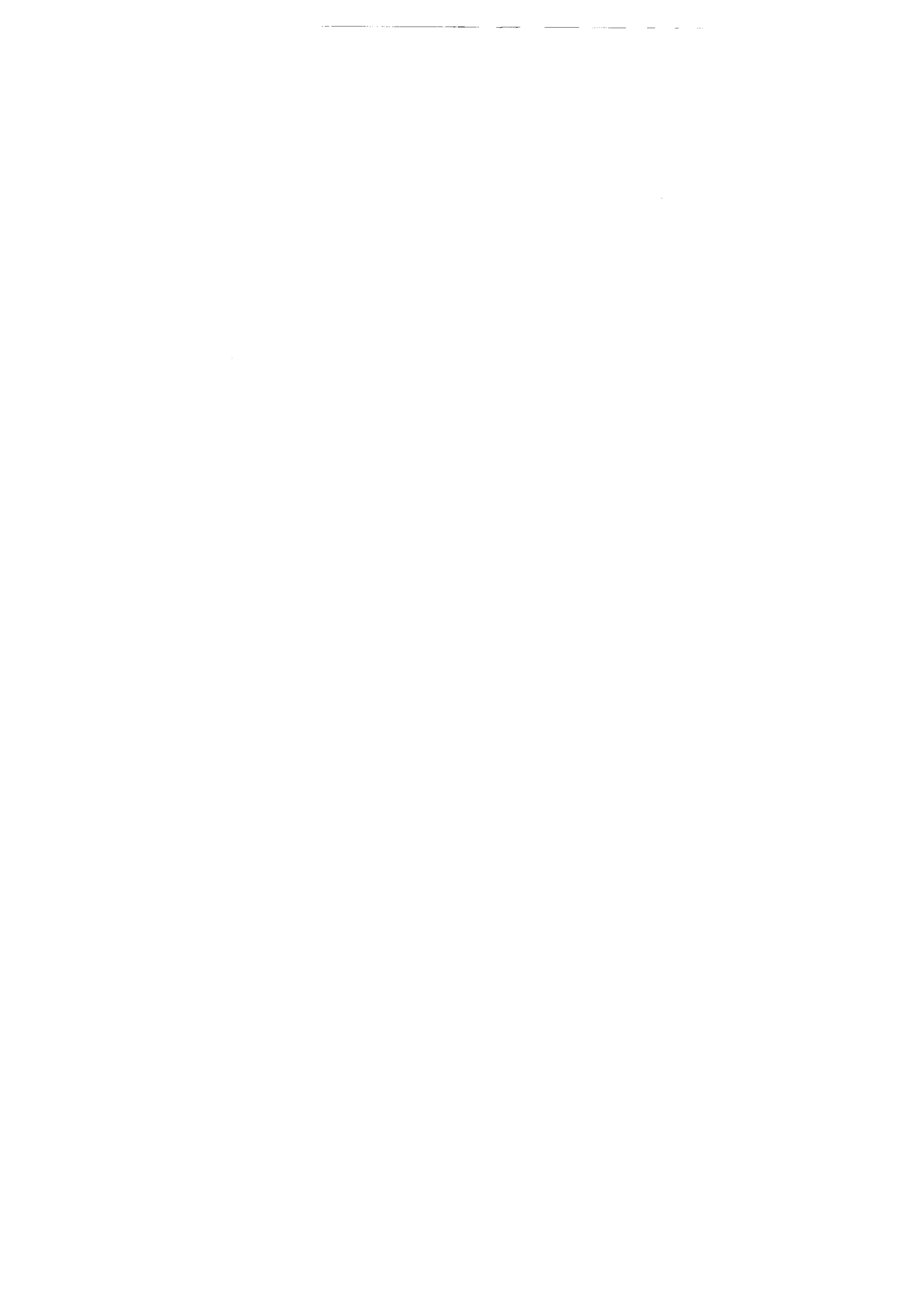
David Bergman

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

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

By *Jack McNally*
Business Manager

Jan 21, 199*3*



Inventions, Information, and Other Assets Developed by Company Employees

Statement of Policy

It is PG&E's policy to encourage employees to develop inventions, information, and other assets which may improve the company's operations or otherwise support PG&E's business objectives.

It is also PG&E's policy to protect the company's rights to and interests in inventions, information, and other assets which are: (a) developed by employees in the scope of their PG&E employment or using PG&E resources, or (b) which are assigned to the company by agreement with the employee.

Overall Accountability

The Senior Vice President and General Manager of Electric Supply is responsible for issuing, updating, and monitoring compliance with this policy.

Scope

This policy applies to PG&E and all subsidiaries.

Date Implemented

January 1, 1993

Definitions *(refer also to "Definitions" section of the Corporate Policy Manual)*

Technical employees include (1) all engineers, engineering technicians, and technologists who are responsible for design or maintenance of PG&E utility facilities, or for design or development of products or processes; (2) employees of the Research and Development and Technical and Ecological Services Department, other than non-management, non-bargaining unit employees; (3) analyst/computer programmers responsible for the design, development, or maintenance of computer software or systems; and (4) employees assigned to any activities in connection with the company's performance of contracts which obligate the company to assign to others any discoveries, inventions, or other developments made in connection therewith.

Technical employees hired to Invent are technical employees who are hired or directed to solve a specific problem, to make experiments for that purpose, or to exercise their inventive faculties in any area.

An employee's **scope of employment** is the full range of an employee's assigned duties.

Inventions or developments include, without limitation, all discoveries, inventions, improvements, developments, innovations, methods, processes, formulae, machines, and devices, whether or not patentable; and all computer programs, software and related documentation, and other works of authorship, whether or not copyrightable. Inventions or developments do not include any invention that an employee develops entirely on his or her own time without using PG&E's equipment, supplies, facilities, or trade secret information, except for inventions that either (a) relate, at the time of conception or reduction to practice, to the company's businesses, or to actual or demonstrably anticipated research or development; or (b) result from any work performed by the employee for the company.

An Employee Non-Disclosure and Assignment Agreement (ENA Agreement) is an agreement whereby employees promise not to disclose the company's confidential information and assign to the company their rights, title, and interest in and to all inventions and developments made during the term of their employment.

A shop right is the company's license to use, apply, practice, and make (or cause to be made for use in the company's operations) -- without payment of any rent, royalty, or other charge -- all inventions and developments made by employees with the use of company resources. A shop right is not exclusive, nor is it transferable.

A trade secret is any information, formula, pattern, computer program, software, documentation, device, method, technique, process, or other unpatented invention or development that the company treats as confidential and that derives independent economic value -- actual or potential -- from not being known to the public or to other persons who can obtain economic value from its disclosure or use.

Implementation: PG&E

(1) Protection of PG&E's Rights

(a) The Vice President and General Counsel approves standards and procedures to ensure that the company's rights to and interest in inventions or developments are preserved and protected at all times, including (but not necessarily limited to) ensuring that:

- All inventions or developments made by any employee within the employee's scope of employment belong to the company, without any payment of compensation by the company other than the employee's salary;**
- All inventions or developments made by any employee not within the employee's scope of employment but with the use of company resources are subject to the company's shop right; and**
- All inventions or developments assigned to the company by means of an ENA Agreement, or other document of assignment, become the exclusive property of PG&E.**

Such standards also ensure that employees are fully informed of their rights and obligations with respect to inventions or developments.

(b) Each Business Unit General Manager and officer ensures that inventions or developments are protected from unauthorized disclosure and are used only by authorized employees for business purposes and in accordance with the standards and procedures approved by the Vice President and General Counsel.

(c) Each officer ensures that this policy is communicated and complied with within his or her area of responsibility.

(2) Employee Obligations

(a) All employees promptly disclose to the company any inventions or developments to which the company has rights of ownership or a shop right.

(b) All employees assist the company in perfecting and safeguarding the company's rights to inventions and developments, including executing all documents that the company deems necessary.

(c) All employees have a duty, during and subsequent to their employment to:

- use inventions or developments only for company business purposes and in accordance with the company's standards and procedures;
- treat inventions or developments as the company's confidential information;
- refrain from disclosing inventions or developments to anyone other than authorized company employees without authorization of the manager responsible for such inventions or developments or without requiring the receiving party to execute a non-disclosure agreement in a form approved by the Law Department.

(3) Employee Non-Disclosure and Assignment Agreements (ENA Agreements)

(a) **New Employees.** All employees hired after the effective date of this policy are required to sign an ENA Agreement as a condition of employment.

(b) **Current Employees.**

- Current technical employees hired to invent are required to sign an ENA Agreement upon being assigned to a research or development project if they have not signed such an agreement prior to that time.
- Current technical employees not hired to invent are required to sign an ENA Agreement upon reclassification as a technical employee hired to invent.
- All other current employees are not required to sign an ENA agreement. However, any employee who makes an invention or development within his or her scope of employment and has not signed an ENA Agreement is required to assign to the company all ownership rights in such inventions or developments.

Implementation: Subsidiaries

Each Business Unit General Manager and officer responsible for overseeing activities of a subsidiary ensures that the subsidiary establishes and implements standards and procedures to ensure achievement of the goals of PG&E's policy on inventions, information, and other assets developed by company employees. Such standards and procedures are generally consistent with the standards and procedures adopted by PG&E.

References

- Employee Non-Disclosure and Assignment Agreement (ENA Agreement) Forms A and B

PACIFIC GAS AND ELECTRIC COMPANY
EMPLOYEE NON-DISCLOSURE AND ASSIGNMENT AGREEMENT

In consideration of my employment by PG&E, and of the compensation received therefor, I agree as follows:

- 1) I shall not disclose or use, either during or subsequent to my employment, any confidential information or material of PG&E, except as my duties during my employment with PG&E may require or as expressly authorized in writing by PG&E. If I leave the employ of PG&E, I will not retain and will return promptly all confidential information and material of PG&E, including all copies, writings, drawings, and other records relating to the foregoing.

As used herein "PG&E" shall mean Pacific Gas and Electric Company and any of its subsidiaries and affiliates. "Confidential information or material of PG&E" shall mean information, material, data or knowledge which is considered confidential and/or proprietary by PG&E, and which includes, without limitation, trade secrets, customer lists and records, software, computer programs and related documentation, specifications, documents, processes, methods, inventions, discoveries, formulae, drawings, compositions, and information relating to research and development or to operations of PG&E, which have not been generally released to the public by duly authorized representatives of PG&E.

- (2) I agree to assign and hereby assign to PG&E my entire right, title and interest in and to any idea, invention, improvement, design, discovery, software, computer program and related documentation, and other work of authorship whether or not patentable or copyrightable, (all hereinafter called "Developments"), made, conceived or reduced to practice by me, solely or jointly with others, during the period of my employment with PG&E, either: a) using PG&E's equipment, supplies, facilities, trade secrets, or time; or b) relating, at the time of conception or reduction to practice of the Development, to the business of PG&E or PG&E's actual or demonstrably anticipated research or development; or c) resulting from any work performed by me for PG&E. I agree to assign and hereby assign to PG&E all my right, title and interest in the copyright and in any patent applications or patents for such Developments. I agree to fully cooperate and to do, at the expense of PG&E, all things reasonably necessary to allow PG&E to claim copyright and patent right ownership, in the United States and in foreign countries, including the execution of documents deemed necessary by PG&E.
- (3) I will promptly inform PG&E of any Developments assigned to PG&E in paragraph (2) hereof. I will treat such Developments, including know-how relating thereto, as confidential information or material of PG&E, in accordance with paragraph (1) hereof.
- (4) PURSUANT TO THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870, PARAGRAPH (2) OF THIS AGREEMENT DOES NOT APPLY TO: an invention that I developed entirely on my own time without using PG&E's equipment, supplies, facilities or trade secret information, except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to PG&E's business, or actual or demonstrably anticipated research or development of PG&E, or (2) result from any work performed by me for PG&E.

CALIFORNIA LABOR CODE, SECTION 2870 IS REPRODUCED BELOW, CONSTITUTING THE WRITTEN NOTIFICATION REQUIRED BY SECTION 2872 OF THE CODE:

Section 2870 Employment agreements; assignment of rights

- (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
 - (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - (2) Result from any work performed by the employee for the employer.
- (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

Section 2872 Notice to employee; burden of proof

If an employment agreement entered into after January 1, 1980, contains a provision requiring the employee to assign or offer to assign any of his or her rights in any invention to his or her employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention which qualifies fully under the provisions of Section 2870. In any suit or action arising thereunder, the burden of proof shall be on the employee claiming the benefits of its provisions.

- (5) Except as listed on the reverse side hereof, I do not own or have an interest in any patent applications or unpatented inventions or other Developments, which were previously made or conceived, and I have no agreements with, or obligations to, others in conflict with this Agreement.
- (6) This Agreement does not constitute a contract of employment; its only purpose is to assign Developments to PG&E and to state my obligations with respect to the confidentiality of confidential information and materials of PG&E.
- (7) All prior agreements, understandings or communications with or by PG&E, with respect to the Developments assigned to PG&E in paragraph (2) hereof, are hereby superseded. This Agreement may not be terminated or modified, in whole or in part, except by an instrument in writing signed by an officer of PG&E. This Agreement may be assigned by PG&E only. This Agreement shall be binding upon my heirs, executors, administrators, and assigns.

Acknowledged and agreed:

Employee's Full Name
(Print/Type)

Employee's Signature
(Full Name)

Date
(Written by Employee)

PG&E Representative

Date

I HAVE IDENTIFIED ON THE REVERSE SIDE HEREOF ALL DEVELOPMENTS NOT ASSIGNED TO PACIFIC GAS AND ELECTRIC COMPANY BY PARAGRAPH (2)

LIST BELOW ANY ITEMS WHICH ARE NOT SUBJECT TO PARAGRAPH (2) OF THIS AGREEMENT (Patent applications or unpatented inventions previously conceived or made and agreements with or obligations to others previously entered into and in conflict with this Agreement.):

Date and Description of Document (or agreement)

Signed: _____
(Employee's Full Name)

Date: _____

Original - to Corporate Secretary/1 Copy - to employee's 701 file/1 Copy. - to employee

PACIFIC GAS AND ELECTRIC COMPANY
EMPLOYEE NON-DISCLOSURE AND ASSIGNMENT AGREEMENT

This Agreement is executed by the undersigned employee and delivered to PG&E on the date set forth below:

- (1) I shall not disclose or use, either during or subsequent to my employment, any confidential information or material of PG&E, except as my duties during my employment with PG&E may require or as expressly authorized in writing by PG&E. If I leave the employ of PG&E, I will not retain and will return promptly all confidential information and material of PG&E, including all copies, writings, drawings, and other records relating to the foregoing.

As used herein "PG&E" shall mean Pacific Gas and Electric Company and any of its subsidiaries and affiliates. "Confidential information or material of PG&E" shall mean information, material, data or knowledge which is considered confidential and/or proprietary by PG&E, and which includes, without limitation, trade secrets, customer lists and records, software, computer programs and related documentation, specifications, documents, processes, methods, inventions, discoveries, formulae, drawings, compositions, and information relating to research and development or to operations of PG&E, which have not been generally released to the public by duly authorized representatives of PG&E.

- (2) I agree to assign and hereby assign to PG&E my entire right, title and interest in and to any idea, invention, improvement, design, discovery, software, computer program and related documentation, and other work of authorship whether or not patentable or copyrightable, (all hereinafter called "Developments"), made, conceived or reduced to practice by me, solely or jointly with others, during the period of my employment with PG&E, either: a) using PG&E's equipment, supplies, facilities, trade secrets, or time; or b) relating, at the time of conception or reduction to practice of the Development, to the business of PG&E or PG&E's actual or demonstrably anticipated research or development; or c) resulting from any work performed by me for PG&E. I agree to assign and hereby assign to PG&E all my right, title and interest in the copyright and in any patent applications or patents for such Developments. I agree to fully cooperate and to do, at the expense of PG&E, all things reasonably necessary to allow PG&E to claim copyright and patent right ownership, in the United States and in foreign countries, including the execution of documents deemed necessary by PG&E.
- (3) I will promptly inform PG&E of any Developments assigned to PG&E in paragraph (2) hereof. I will treat such Developments, including know-how relating thereto, as confidential information or material of PG&E, in accordance with paragraph (1) hereof.
- (4) PURSUANT TO THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870, PARAGRAPH (2) OF THIS AGREEMENT DOES NOT APPLY TO: an invention that I developed entirely on my own time without using PG&E's equipment, supplies, facilities or trade secret information, except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to PG&E's business, or actual or demonstrably anticipated research or development of PG&E, or (2) result from any work performed by me for PG&E.

CALIFORNIA LABOR CODE, SECTION 2870 IS REPRODUCED BELOW, CONSTITUTING THE WRITTEN NOTIFICATION REQUIRED BY SECTION 2872 OF THE CODE:

Section 2870 - Employment agreements; assignment of rights

- (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - (2) Result from any work performed by the employee for the employer.
- (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable:

Section 2872 Notice to employee; burden of proof

If an employment agreement entered into after January 1, 1980, contains a provision requiring the employee to assign or offer to assign any of his or her rights in any invention to his or her employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention which qualifies fully under the provisions of Section 2870. In any suit or action arising thereunder, the burden of proof shall be on the employee claiming the benefits of its provisions.

- (5) Except as listed on the reverse side hereof, I do not own or have an interest in any patent applications or unpatented inventions or other Developments, which were previously made or conceived, and I have no agreements with, or obligations to, others in conflict with this Agreement.
- (6) This Agreement does not constitute a contract of employment; its only purpose is to assign Developments to PG&E and to state my obligations with respect to the confidentiality of confidential information and materials of PG&E.
- (7) All prior agreements, understandings or communications with or by PG&E, with respect to the Developments assigned to PG&E in paragraph (2) hereof, are hereby superseded. This Agreement may not be terminated or modified, in whole or in part, except by an instrument in writing signed by an officer of PG&E. This Agreement may be assigned by PG&E only. This Agreement shall be binding upon my heirs, executors, administrators, and assigns.

Acknowledged and agreed:

Employee's Full Name
(Print/Type)

Employee's Signature
(Full Name)

Date
(Written by Employee)

PG&E Representative

Date

I HAVE IDENTIFIED ON THE REVERSE SIDE HEREOF ALL DEVELOPMENTS NOT ASSIGNED TO PACIFIC GAS AND ELECTRIC COMPANY BY PARAGRAPH (2)

LIST BELOW ANY ITEMS WHICH ARE NOT SUBJECT TO PARAGRAPH (2) OF THIS AGREEMENT (Patent applications or unpatented inventions previously conceived or made and agreements with or obligations to others previously entered into and in conflict with this Agreement.):

Date and Description of Document (or agreement)

Signed: _____
(Employee's Full Name)

Date: _____

Original - to Corporate Secretary/1 Copy - to employee's 701 file/1 Copy - to employee

RECOMMENDED LETTER TO EMPLOYEES

Dear Employee:

I have attached the new policy on Inventions, Information and Other Assets Developed by Company Employees (Policy), which was approved by the Management Committee. It provides guidelines covering inventions, information and other assets developed by PG&E employees.

An "Employee Non-Disclosure and Assignment Agreement" (ENA Agreement) has also been approved for use in conjunction with the Policy. Under the provisions of the new Policy, current technical employees will be required to sign an "ENA Agreement" before they are placed on certain new assignments described in the Policy. Because of this, you are asked to read the Policy and become familiar with its contents. You should pay particular attention to the third paragraph (Page E3.11-3) of the Policy which describes at what point you may be requested to sign the ENA Agreement:

- "Current technical employees hired to invent are required to sign an ENA Agreement upon being assigned to a research or development project, if they have not signed such an agreement prior to that time."
- "Current technical employees not hired to invent are required to sign an ENA Agreement upon reclassification as a technical employee hired to invent."

Please sign and print your name to indicate that you have read the Policy and are aware of its contents. Please return the signed form to _____ by _____.

If you have any questions, feel free to come and see me. Thank you for your cooperation.

SIGNED BY: IMMEDIATE SUPERVISOR OR DEPARTMENT MANAGER

ACKNOWLEDGEMENT OF RECEIPT

This is to acknowledge that I have received a copy of the company's Policy on "Inventions, Information, and Other Assets Developed by Company Employees" and corresponding "Employee Non-Disclosure and Assignment Agreement."

This document contains important information on PG&E's rights to and interests in inventions, information, and other assets which are developed by PG&E employees while employed by PG&E. I will familiarize myself with this Policy and understand that I am governed by its contents. I understand that if in the future I am assigned to work where I may be responsible for or involved in the development of inventions or developments as defined in the company Policy, I will be required to sign an "ENA Agreement" as a condition of receiving the assignment.

(Print Name)

Employee's Signature

Date

Original - to Corporate Secretary/1 Copy - to employee's 701 file/1 Copy - to employee

List of Classifications Covered by Invention Policy

CORPORATE SERVICES

Controller - Analyst Programmer
Computer and Telecommunications Services - Analyst Programmer
VP General Counsel - Analyst Programmer
VP Human Resources - Analyst Programmer
VP Finance and Rates - Analyst Programmer
Analyst in Marginal Cost Section of Rates

ENCON

Apprentice Equipment Mechanic - 1258
AWS Certified Welder - 2622
Carpenter - 160
Civil Engineer - 5237
Design Engineers -2983
Drafters -3004
Electrical Engineer - 5354
Electrical Technician -2400
Equipment Mechanic - 1255
Engineers - 5137
Field Mechanic "A" -1270
Field Mechanic "C" -1276
Field Mechanical Inspector - 1006
Garage Working Foreman - 857
Garageman - 880
Lead Carpenter - 163
Lead Electrician - 515
Lead Mechanic - 1345
Lead Painter - 1932
Lead Partsman - 1084
Lead Welder - 2619
Machinist - 1112
Materialsman -1205
Mechanical Inspector - 1007
Painter - 1933
Partsman - 175
Senior Design Engineers - 2980
Senior Engineers - 5133
Supervising Civil Engineers - 5230
Telecom Technician - 2409
Welder - 2620
Working Foreman -845
All of Station Construction

ELECTRIC SUPPLY

R&D Positions

**ESC Technicians
R&D Project Managers
R&D Program Managers
R&D Research Managers
R&D Research Directors**

PP&C Positions

**Director- Computer Services
Systems Engineer I &II
Senior Systems Engineers
Operation Research Analyst I, II and Sr. Consultant Engineers**

Power Generation

All positions

GAS SUPPLY

**Senior Consulting Gas Engineer
Supervising Gas Engineer**