PACIFIC GAS AND ELECTRIC COMPANY

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 allow Drum Division (including El Dorado District) to award gift certificates as a part of its 1988 Safety Recognition Program.

The gift certificates would be given to each employee who reaches a five-year IRMA free milestone. The value of the gift certificates would be determined as follows:

	<u>Physical</u>	Clerical
5 years	\$20	\$10
10 years	50	25
15 years	100	50
20 years	200	100
25 years	300	150
30 years	400	200
35 years	500	250

This agreement would allow Drum Division to provide the above awards on a trial basis during 1988 only.

The above has been reviewed with Business Representatives, E. A. Fortier and W. R. Greer.

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

Manager of Industrial Velations

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

Business Manager