



# LETTER AGREEMENT

No.

R1-91-113-PGE



Pacific Gas and Electric Company  
Industrial Relations Department  
215 Market Street  
San Francisco, California 94106  
[415] 973-1125

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

---

September 25, 1991

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Pursuant to Section 2.1 of the Physical and Clerical Agreements, the Company proposes the following guidelines concerning incentive, recognition and reward systems:

#### PURPOSE

In making this proposal it is the intent of the Company to set out guidelines under which local recognition/award systems can be designed and implemented. The reasoning behind these systems is to provide local management with a mechanism to recognize outstanding work by either an individual or group, and to promote or incite employees to work toward a specific goal or objective. Any reward/award system set up under the guidelines set out below is intended to be "de minimis" in nature.

In proposing this agreement the Company recognizes IBEW Local 1245 as the sole and exclusive bargaining representative for its represented employees. No section of this agreement is intended to challenge that exclusive right to representation. In addition, it is not the intent of this agreement to interfere with mandatory subjects of bargaining, and specifically those subjects that are reserved for general negotiations. Furthermore, this agreement is not intended to detract from such items as general wage increases and performance incentives in future general negotiation sessions.

#### TYPES OF RECOGNITION

Recognition awards under this agreement are intended to be goods or services with a value not to exceed \$100.00. No cash awards are to be included. Some examples of awards include: meals, gift certificates, sporting event tickets, clothing, merchandise, and services. If gift certificates are given, they can not be redeemable for cash. In addition to not awarding cash, granted additional paid time off is not permitted.

**FREQUENCY OF AWARDS**

The \$100.00 award limit is per employee per calendar quarter.

**ELIGIBILITY**

Any program developed under this agreement must provide for the equal opportunity to participate along Department and Headquarters boundaries. For example, a local recognition program could be developed that provides a dinner for two gift certificate (value of \$40.00) given once per month to an employee in the Gas T&D (Department) at the Oakport Service Center (Headquarters). All the employees within Gas T&D at Oakport would have to be eligible for the gift certificate. It would not be appropriate to set up such a program where only the corrosion group within Gas T&D could be recognized. (Note: For the purpose of this agreement, ENCON service territory will be defined by the General Foreman area or equivalent.) Nothing about this agreement implies all employees should or will receive something, only that all will be eligible under the definition described above.

**IMPLEMENTATION**

Programs that conform to this agreement are intended to be developed locally and implemented at the discretion of local management. The local Business Representative will be notified of any new program at least fifteen days prior to implementation. In addition, the local Business Representative may request a review of any and all programs at any time.

Any program that falls outside the parameters of this agreement must be negotiated between Company and Union and would require the approval of the Union Business Manager and the Company's Manager of Industrial Relations.

**EXISTING PROGRAMS**

All preexisting programs, with the exception of those noted herein, will be reviewed locally by Company and Union for their compliance with the parameters of this letter of agreement. Any program found to be not in compliance will be modified or cancelled.

**NON-COMPETITIVE PROGRAMS**

Any program developed under this agreement will not be structured in such a way as to promote competition between work groups or individuals such that one work group or individual receives an award at the expense of another work group or individual.

**SAFETY PROGRAMS**

In order to establish incentive programs that relate to safety, the system must be structured so as not to discourage the reporting of accidents. The safety programs are intended normally to be after the fact rewards. Safety programs are to be approved by the local Business Representative prior to implementation. Nothing in this section is intended to impact current practices such as 1,000,000 manhour awards or safety barbecues.

CONSEQUENCES OF NONCOMPLIANCE

If programs are undertaken that do not meet the above guidelines, all programs within the Division, Department or other equivalent unit will be cancelled for a one year period.

This cancellation may be avoided if Company cancels the individual out-of-compliance program within fifteen days following written notification of a violation to the Division Manager, Department Manager or equivalent, by the Union's Business Representative. However, a second notice of a proven out-of-compliance program will result in a one year suspension of all programs within the Division, Department, or other equivalent unit regardless of whether the first violation was corrected within the fifteen days.

PROGRAMS/AREAS SPECIFICALLY EXCLUDED

Programs such as the Ideas In Action, PSEA, United Way, Trailblazer, time off associated with Christmas Eve and New Year's Eve, in their present form, as well as any other program addressed in a specific agreement will not be subject to this letter agreement. (see attachment)

CANCELLATION

Either the Company or Union reserves the right to cancel this agreement with 30 days written notice.

If you are in accord with the foregoing and attachment and agree thereto, please so indicate in the space provided below and return one executed copy of the letter to the Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By   
Director and Chief Negotiator

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

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

Sept 27, 1991

By   
Business Manager

## Attachment

The following programs are specifically excluded from this Letter Agreement:

### PROGRAMS

Ideas In Action- The various incentive programs used to generate suggestions and participation are exempted. Programs that were in place prior to June 1, 1991, known as pre-existing programs, shall continue in the future.

For definition purposes, pre-existing programs will be defined as programs that cover a specific and defined group. In addition, the award in subsequent years must not exceed the value of the original award program.

For example, if Mission Trail Region had awarded a trip for two to Reno for the employee who turned in the most suggestions in the month of May, this practice may continue in the future for Mission Trail Region.

PSEA- These programs are similar to those described under Ideas in Action. Specifically, promotional programs designed to encourage participation in PSEA education classes have been a historical practice. For example the Hockenbeamer award recognizes outstanding volunteer participation in education activities.

United Way- Again, similar to Ideas in Action and PSEA, the United Way has historically run a variety of award programs used to generate participation and enthusiasm.

Trailblazer- This program was developed to recognize employees who make unique and significant contributions to the operations of the Distribution Business Unit. The provisions of the program were established under a separate letter agreement xxxxxxxxx.

Christmas/New Year's Eve- Traditionally employees are released from their assignments in the second half of the day on Christmas or New Year's Eve. This decision to excuse employees is made each year by the Chairman of the Board.

With the exception of the Christmas/New Year's Eve example, none of the above mentioned programs may grant additional time off with pay.