



LETTER AGREEMENT

No.

R3-90-237-PGE



Pacific Gas and Electric Company
Industrial Relations Department
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International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
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Richard Bradford, Manager

Jack McNally, Business Manager

December 27, 1990

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:

The importance of short, but safe, refueling outages is critical to PG&E, its stockholders, its employees and its customers. Therefore, the Company proposes to grant additional paid time off hours for eligible employees to encourage short and safe refueling outages of Diablo Canyon Units 1 and 2 in 1991.

Outage Incentive Program

In 1989, an outage incentive program which awarded time off for achieving defined goals was introduced for the third refueling of Unit 1 (1R3). A similar program was utilized for the third refueling of Unit 2 (2R3) in 1990. These two outages were the most successful NPG has yet conducted.

Accordingly, the Company proposes that similar programs be adopted for both Unit 1 and Unit 2 refueling outages scheduled for February 3 and September 15, 1991.

This program is designed to provide a maximum payout only if Diablo Canyon meets or exceeds its best outage performance to date. The program differs from the 1990 program in the following aspects:

- o Outage duration. The outage durations reflected in NPG's 1991 Business Plan are 69 days. Accordingly, the paid time off criteria have been scaled around this value, with the payouts starting for durations ≤ 75 days, and maximum payouts achieved for durations ≤ 58 days. It should be noted that the 1989 and 1990 outages had larger scopes (with Business Planning schedules of 84 days) than the 1991 outages. As a result, the payouts in 1989 and 1990 were scaled over the range of 63 to 84 days. It is our view that the criteria proposed for 1991 represent an approximate equivalent challenge to those employed in 1989 and 1990, after accounting for the reduced outage scope.

- o Radiation exposure. Up to 12 hours of paid time off can be earned for conducting each outage within established radiation exposure criteria. This is the same as the 1990 program except that the exposure criteria have been adjusted to reflect the expected conditions in 1991.
- o Ascension to full power. The proposed 1991 program provides for an additional four-hour award if the unit achieves a 48-hour sustained run at 90% power or above within nine days from the completion of the outage. This is consistent with the best record set date for power ascension at Diablo Canyon.

The details of the 1991 Outage Incentive Program proposal are as follows:

A. OUTAGE DURATION

1. Breaker-to-Breaker

	<u>Outage Duration (Days)</u>	<u>Paid Additional Time Off (Hours)</u>
(a)	> 75	0
	> 73, ≤ 75	4
	> 71, ≤ 73	8
	> 69, ≤ 71	12
	> 67, ≤ 69	16
	> 65, ≤ 67	20
	> 63, ≤ 65	24
	> 61, ≤ 63	28
	> 59, ≤ 61	32
	> 58, ≤ 59	36
(b)	≤ 58	40

This schedule of projected durations reflects two significant points: (a) the scopes of the 1991 outages are slightly reduced from those in 1989 and 1990, and the baseline duration is 69 days; (b) 57.3 days is the best record to date and retains the same award for achievement as provided by the prior plan.

Earned time off increases in four-hour increments as each outage's duration is reduced from 75 days. The awards are scaled from the 75-day starting point to provide the same award as the last outage at 57.3 days--the current record.

As in the past, additional paid time off hours will be added to the paid time off hours to which the employee would otherwise be entitled. An employee will also have the option of selling part or all of the hours in no less than four-hour increments one time during the year.

The intent of the program is to provide employees the option to take their earned time off or sell it back. Recognizing the impact of a two outage year and the need to review the granting of time off due to operational needs, employees will have until year end 1992 to use or sell back earned time off. Company will notify the Union in June of 1992 of individuals who may be unable to use their earned time off by year end. The parties will then meet to agree on a method of dispositioning the unused time off.

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2. Ascension to Full Power

A single award of four hours can be earned if the unit realizes a 48-hour sustained run at 90% or above within nine days (216 hours) from the closing of the main generator output breaker, which traditionally signals the end of the outage.

B. SAFETY CRITERIA

It is essential that outage activities, as with all DCPD activities, be performed in accordance with established safety and quality standards. Therefore, the proposed additional paid time off hours would be modified as follows by a safety factor composed of certain variables relevant to the outage:

1. Radiation Releases (same as 1990 plan)

A radiation release greater than Technical Specification limits will result in the awarded paid time off hours being reduced by 16 hours.

2. Personnel Radiation Exposure

Man-rem exposure during the 1991 outages will impact awarded hours as follows:

o Refueling Outage - Unit 1 (1R4)

<u>Radiation Exposure (Man-Rems)</u>	<u>Additional Paid Time Off (Hours)</u>
< 315	+12
315 - < 330	+ 8
330 - < 350	+ 4
350 - < 360	0
> 360	- 4

o Refueling Outage - Unit 2 (2R4)

<u>Radiation Exposure (Man-Rems)</u>	<u>Additional Paid Time Off (Hours)</u>
< 240	+12
240 - < 255	+ 8
255 - < 270	+ 4
270 - < 280	0
> 280	- 4

o Refueling Outage - Unit 2 (2R4)

<u>Radiation Exposure (Man-Rems)</u>	<u>Additional Paid Time Off (Hours)</u>
< 240	+12
240 - < 255	+ 8
255 - < 270	+ 4
270 - < 280	0
> 280	- 4

3. Significant Adverse Occurrences

The Senior Vice President, Nuclear Power Generation, and the Union's Business Manager may agree to reduce the awarded hours based on significant adverse safety occurrences not otherwise captured in the above safety criteria (B).

Such occurrences could involve major violations of NRC regulations, significant radiation over-exposure to individual(s), significant personnel injuries or employee fatalities. The reduction will be based upon judgment after weighing the severity of the occurrence and the extent to which employee action caused, or could have prevented.

C. ELIGIBILITY

All PG&E DCPD employees, NPG general office employees, and other Company employees matrixed or assigned to support DCPD operations or the 1991 refueling outages will be eligible for participation in the program. Specific eligibility will be determined by the Outage Incentive Program Administrator according to eligibility guidelines.

D. TERM

This proposal applies only to the 1991 refueling outages of DCPD Units 1 and 2. It does not entail a commitment to propose any such program in the future.

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 Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By *Richard B. Bradford*
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

Jan 2, 1990
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By *Joe Wilson*
Business Manager