

1245

International Brotherhood
Of Electrical Workers
Local 1245, AFL-CIO
November 1990
Vol. XXXIX No. 11

UTILITY REPORTER

Special PG&E Insert:
the New Contract

Three-year pact preserves benefits

Local 1245 reaches tentative agreement with PG&E

Negotiators for Local 1245 and Pacific Gas and Electric Co. reached tentative agreement last month on a new three-year contract that provides substantial wage gains and preserves medical benefits for nearly 17,000 PG&E employees.

In the tentative agreement, which is subject to ratification by the union's membership, Local 1245 achieved its three major bargaining objectives, according to union

negotiators. Those objectives were to maintain employee medical benefits, to improve job security, and to meet or exceed wage increases relative to other major gas and electric utilities in California.

If ratified, the contract will provide employees a 3.75 percent wage increase in 1991, 4.0 percent in 1992 and 4.5 percent in 1993. But just as important as the wage gains, in the view of union negotiators, the contract preserves current levels of medical benefits and even expands benefit levels in some

areas. As under the old contract, benefit premiums will be fully paid by the company.

The preservation of medical benefits is no small achievement in an era when many employees around the country are being forced to shoulder a portion of the premium payments on their health insurance. The company and the union began meeting last January, seven months prior to the start of actual bargaining, to examine medical delivery options. That joint effort helped create a cooperative approach

to what has become one of the thorniest issues in modern labor negotiations.

To help the company contain costs, the contract calls for the implementation in 1993 of a "managed care" policy, which is similar to the current preferred provider approach but with a tightening of some provisions.

In the area of job security, the union made major gains in limiting the impact of management people "bumping back" into the bargaining unit.

See PAGE EIGHT

Fire Marshall seeks authority

More members targeted for random drug testing

Up to 1,000 Local 1245 members could be subject to random drug testing under a proposal put forward by the California State Fire Marshal.

Last spring, several thousand Local 1245 members became potential targets of random drug testing under regulations put together by the US Department of Transportation. In a notice of proposed rulemaking, the Fire Marshal's office recently announced that it intends to simply adopt those federal regulations "by reference" and apply them to workers under the Fire Marshal's jurisdiction.

Up to 1000 Local 1245 members at steam generation plants could be subject to testing by the Fire Marshal.

The Fire Marshal's action confirms the fears of many union members that federally-mandated random drug testing could lead to testing by state and local agencies,

developing into a wholesale attack on the privacy rights of all citizens.

During public hearings in October on the proposed testing, Local 1245 attorney Jane Brunner questioned the Fire Marshal's jurisdiction over PG&E plants. Brunner also laid out the union's objections to drug testing in general.

The union contends that drug testing is an invasion of individual privacy. Furthermore, the union maintains that drug testing does not yield useful or reliable information about an individual's ability to work safely.

The union also holds that the Fire Marshal should not engage in drug testing under the federal regulations because drug testing is a subject of mandatory bargaining.

"The Fire Marshal should not be a third party at the bargaining table," declared Brunner, who was joined at the hearing by negotiations committee member Gary

See PAGE THREE



Feinstein for Governor

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CALENDAR

Nov. 6: Election Day

**Vote
November 6!
Your vote
counts!**



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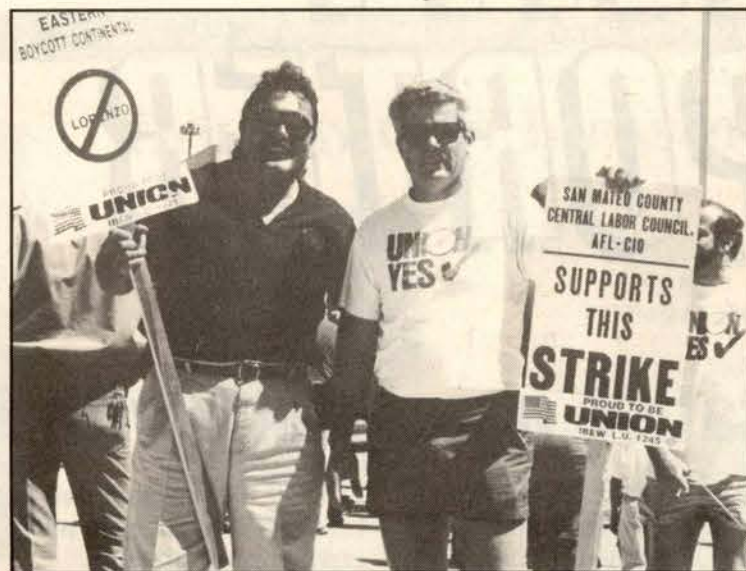
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WIPA



SOLID AGAINST EASTERN
Local 1245 members Leo Tablizo, PG&E Gas T & D (left) and Steve Vanzandt, Western Cable TV, show solidarity on the picketline with Machinists union members on strike against Eastern Airlines. The recent rally at San Francisco International Airport was one of many around the nation in support of the Eastern strike. (Photo: Landis Martila)

Workers here and abroad

Rolling the union on...

Bareass discrimination: The National Labor Relations Board ruled that an employer committed an unfair labor practice by discharging a worker who participated in a "mooning" incident. Another employee participating in the "mooning" was not discharged. The NLRB ruled that the different treatment stemmed solely from the fact that the discharged employee was a known union supporter, while the other employee was not. The National Labor Relations Act requires union and non-union workers be treated equally; therefore, firing the pro-union mooner was illegal, the NLRB decided.

Inside job: An estimated \$50 million was stolen from federally-insured financial institutions in 1989. Twenty times that amount was stolen through fraud and embezzlement.

What you don't know...: Boeing Co. agreed to compensate workers who were employed without their knowledge in a program to test the human-health effects of electromagnetic pulse (EMP) radiation. During tests for the Air Force, Boeing

discovered that EMP not only destroyed sensitive electronic equipment but also appeared to affect human health—three of 17 original Boeing technicians contracted cancer. Boeing expanded its EMP program by hiring 700 more employees and documenting the effects of EMP on them without informing the employees that they were being used as human guinea pigs.

Dumbest question: During Nelson Mandela's visit to the US last summer, NBC News' Tom Brokaw asked him: "Is there anything about prison you will miss?" Said Mandela: "Not really."

Forgive and forget: The mayor of Portsmouth, Ohio, where about 9.5 percent of the residents are out of work, wants to revitalize the economy by forgiving the steel and shoe manufacturers who abandoned the community a decade ago. Mayor Franklin T. Gerlach, who owns three Rolls-Royces and struts around town in a powder-blue mayoral sash, doesn't explain how forgiving the long-gone manufacturers will help the jobless. But it apparently eases *his* conscience.

Local 1245 secures agency shop at SMUD

Members of Local 1245 employed by the Sacramento Municipal Utility District have ratified a new agreement with the District that provides wage gains, cost-of-living increases, and an important new union security clause.

The four-year agreement, technically known as a "Memorandum of Understanding", provides for a 4 percent general wage increase on July 1, 1991, followed by 3.5 percent wage hikes in July of 1992, 1993 and 1994.

In addition, the agreement contains a cost-of-living adjustment (COLA) that could bring wages up by an additional 3.5 percent in each of the last three years depending on the rate of inflation as measured by the Consumer Price Index. For each point of inflation above a 3.5 percent inflation rate, employees will receive a COLA of .75 percent, with a cap of 7 percent per year for the total wage and COLA increase.

If that cap is reached during any of the three years covered by the COLA, a wage re-opener will automatically be triggered.

Agency shop

One of the most significant aspects of the new agreement is a provision for agency shop. Currently the union has no union security agreement with the District, which means that union membership is voluntary. Under the new contract, employees hired after January 1, 1991 will have 90 days to join the union or pay an agency fee to

cover the costs of union representation.

Employees hired prior to that date will not be required to join the union or pay an agency fee.

By law, the union must represent everyone in the bargaining unit, regardless of whether they pay union dues. Those who don't pay dues thus drain the union's resources without giving anything back in return.

The new agency shop clause will help ensure that those who benefit from union representation also help pay for it.

Local 1245 Business Rep. Perry Zimmerman called the new contract "a damn good package."

The agreement also contains some improvements in retirement. Employees currently pay 1.5 percent into the Public Employee Retirement System. Beginning on Jan. 1, 1991, employees will pay only .5 percent, with the District picking up the difference. On Jan. 1, 1992, the District will pick up the remaining .5 percent, reducing the employee contribution to zero.

The agreement also provides for "inequity raises" in four classifications.

The union was able to prevent any take-aways in medical coverage, a major concern of the members. However, the union did agree to a formula that will tighten requirements for new employees to qualify for medical benefits after they retire. Under the new agreement, new employees must have 20 years with the District plus be 50 years of age before they can retire with full medical benefits.

Don't leave the job
to someone else.

VOTE

November 6, 1990



LIFE-SAVING AWARD

Alicia Nelson of Salinas, Ca., (shown here with Gary Hughes, left, and Ken Richards) was awarded the IBEW Life Saving Award at the Salinas Unit Meeting in August. Nelson was recognized for her quick thinking and courage in responding to a medical emergency last year in which she administered CPR to a woman who had suffered a seizure. Nelson's efforts restored the woman's vital signs by the time medical assistance arrived.

Members boost United Way drive at PG&E

At the campaign kickoff event for the United Way of the Bay Area held in San Francisco on Sept. 13, members of Local 1245 employed by Pacific Gas and Electric were praised for their support in making the 1990 United Way Campaign at PG&E a record breaker.

Chosen as a "Pacesetter" to conduct an early United Way drive and set an example for other companies, PG&E exceeded its 1989 campaign by a projected 20 percent for a new high in company and employee gifts.

The United Way of the Bay Area is one of several United Ways in California whose member agencies benefit yearly from contributions of money and volunteer



time by Local 1245 members. Many United Ways are still conducting their campaigns through the end of the year in cooperation with other Local 1245 employers.

Local 1245 has historically

encouraged its members to support the work of the United Ways throughout its jurisdiction.

This year an extra emphasis was given to this endorsement when Business Manager Jack McNally of Local 1245 joined Ben Hudnall of Engineers and Scientists of California for the first time in the PG&E company-wide film to urge union members' participation in the campaign.

Drug testing threat grows

from PAGE ONE

Surfus and Business Rep. Mike Haentjens.

The Fire Marshal is given authority over pipeline safety by the California Pipeline Safety Act of 1981. Pipeline workers are already subject to random drug testing under the federal regulations. Under the Fire Marshal's

plan, steam generation plant operators would apparently also be subjected to random drug testing.

The Fire Marshal has 90 days to issue the final rules. Meanwhile the union has asked the Fire Marshal to respond in writing to a series of questions about the proposed rule-making.

Cook's Champagne boycotted

Cook's Champagne has been placed on the boycott list of the AFL-CIO at the request of the Distillery, Wine and Allied Workers International Union.

Guild Wineries and Distilleries, producers of Cook's, are demanding additional major concessions to those that members of Locals 45 and 186 in California took in 1983. At that time, when the employer asked for economic relief, union members agreed to a three-year wage and benefit freeze.

At the end of the three

years the company claimed an even worse financial status and workers took cuts in wages and benefits up to 25 percent.

Currently the company is prospering, and its demands for health insurance co-payments would more than eat up a token raise that was offered.

Employees, now working without a contract, are asking for a return to 1986 wages plus a modest increase, continued benefits for future retirees and no outside contracting.

PG&E pact preserves medical benefits

Jack McNally, IBEW 1245 Business Manager

On October 3 Local 1245 reached tentative agreement on a new three-year agreement with PG&E.

The agreement provides wage increases that are equal to or better than other settlements in the utility industry.

Job security and other working conditions improvements were achieved while also addressing some of PG&E's flexibility issues.

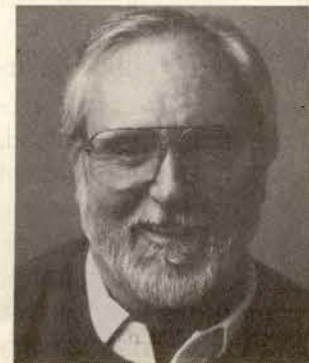
The complete offer of settlement is contained in a supplement to this issue of the *Utility Reporter* for PG&E members.

Probably the most important item in this bargaining go-around is the fact that the medical plans were not radically changed in the form of benefit reductions or cost shifting.

Health care plans have been a major focus in almost all collective bargaining situations around the country in recent years. Where there has been protracted bargaining or strikes, it has often been because unions were trying to preserve their medical plans without major cuts or cost shifts.

The major change in the new PG&E agreement will come with the change to a managed care type plan which would take the place of the current Blue Cross Plan. A managed care, point of service plan is one which encourages participants to utilize a network of physicians, hospitals, and other health care providers who have agreed to substantial discounts for their services.

These managed care plans are the latest innovation in the health care field. They are the type of plans



agreed to in the telecommunications industry and were the basis of settlement of several labor disputes.

The tentative settlement contains the basic provision of the plan; however, the plan does not go into effect until January 1, 1993. This will provide the necessary time to recruit and evaluate the networks available, which are usually provided by insurance carriers (i.e. Blue Cross, Blue Shield, Prudential, Metropolitan etc.). In addition, we will have adequate time to provide education for participants on how to use the networks.

The anticipated difficulty in reaching a tentative agreement on the health care issue was eased as a result of the five-month joint study with PG&E, which was completed just prior to the start of negotiations. Through discussions with various consultants and experts in the field, the joint study educated the parties and provided options and avenues to reach accord.

Our health plan agreement is one of the best in the industry and this new tentative agreement will continue to keep us ahead in the industry.

APPOINTMENTS

PACIFIC GAS TRANSMISSION CO.

PGT Negotiating Committee

Jolene Fifield
Pam McKean
Frank Locati
Mark Latta

CONFERENCES AND CONVENTIONS

Joint Executive Conference of Southern California Electrical Workers

Richard Dunkin
Bobby Blair

Kirkland visits San Francisco

Organized labor presses for solution to health care crisis

Labor's campaign for a national solution to the health care crisis came to San Francisco Oct. 3.

In public hearings presided over by AFL-CIO President Lane Kirkland, rank and file workers told of the hardships they faced in trying to secure medical care. At the same time, public health officials warned that the health care crisis will only get worse unless dramatic steps are taken.

Following the hearings Kirkland joined Dianne Feinstein, Democratic candidate for governor, at an afternoon rally in Union Square and, later that evening, at a labor banquet where Feinstein pledged to sign into law "legislation providing mandatory health insurance for the workers of California."

Kirkland has said that organized labor is not "locked in" to any particular formula for solving the crisis, but he pledged before coming to San Francisco that labor would keep pressing the issue "until we get some action."

The need for action was brought clearly into focus during the San Francisco hearings by rank and file union members. Don Slater of International Longshore-



(Photo: California AFL-CIO News)

Dianne Feinstein, joining AFL-CIO President Lane Kirkland at a San Francisco rally for health care reform on Oct. 3, pledged to support legislation providing "mandatory health insurance" for California workers if she is elected governor.

men's and Warehousemen's Local 6 testified how he and his family lost their home and possessions when medical insurance ran out while he was incapacitated by injury.

Earnest J. Clemons of Service Employees Local 790 testified to the hardships he's encountered because he's unable to afford treatment for injuries he's suffered.

Far from being the exception, these workers typify a large segment of the population who have little or no medical insurance coverage. County officials warned during their testimony that funds are evaporating even as new demands are placed upon county hospitals by the increasing numbers of persons with no access to health care.

'America's disgrace'

San Francisco Mayor Art Agnos, noting that people are dying on the streets of San Francisco for lack of health care, called the situation a "disgrace."

"But it is not San Francisco's disgrace," Agnos said. "It is America's disgrace."

Don Perata, chair of the Alameda County Board of Supervisors, described the frustrations of dealing with a faltering county hospital system.

"It is an outrage that in

this most advanced nation of the world we are not able to provide our citizens with basic health care," Perata declared.

Supervisor Sunne McPeak of Contra Costa County said state funds for her county's hospital had been reduced by 40 percent during the past eight years.

"We simply cannot take care of people in need. The safety net is so tattered that folks are falling through in large numbers," she said.

McPeak described the drain county medical facilities experienced while the USS-POSCO steel plant at Pittsburg was being reconstructed by non-union contractors who did not provide

their low-wage workers with health insurance.

Contra Costa County enacted its new living wage ordinance to try to prevent a recurrence, she said.

Margaret Taylor, San Mateo County director of health services, told how children, deprived of immunizations, are falling victim to diseases most people believed had been vanquished.

Kirkland observed, "We made great progress in rolling back the jungle, or so we thought. And now you are telling us that you're beginning to see recurrences of those old epidemics of whooping cough, polio and other diseases."

Taylor responded, "It is true that we made great progress. But if we stop we don't just stand still. The jungle moves back and reclaims its territory."

Dr. John Tupper of Davis, president of the American Medical Association, testified that the AFL-CIO's goals were similar in most respects to those of the AMA's new "Health Access America" proposal.

He said the task was to make "the best health care delivery system in the world" available to all.

Joining Kirkland for the San Francisco hearing were Presidents John Sweeney of the Service Employees, William Wynn of the United Food and Commercial Workers, and Vincent Sombrotto of the Letter Carriers.

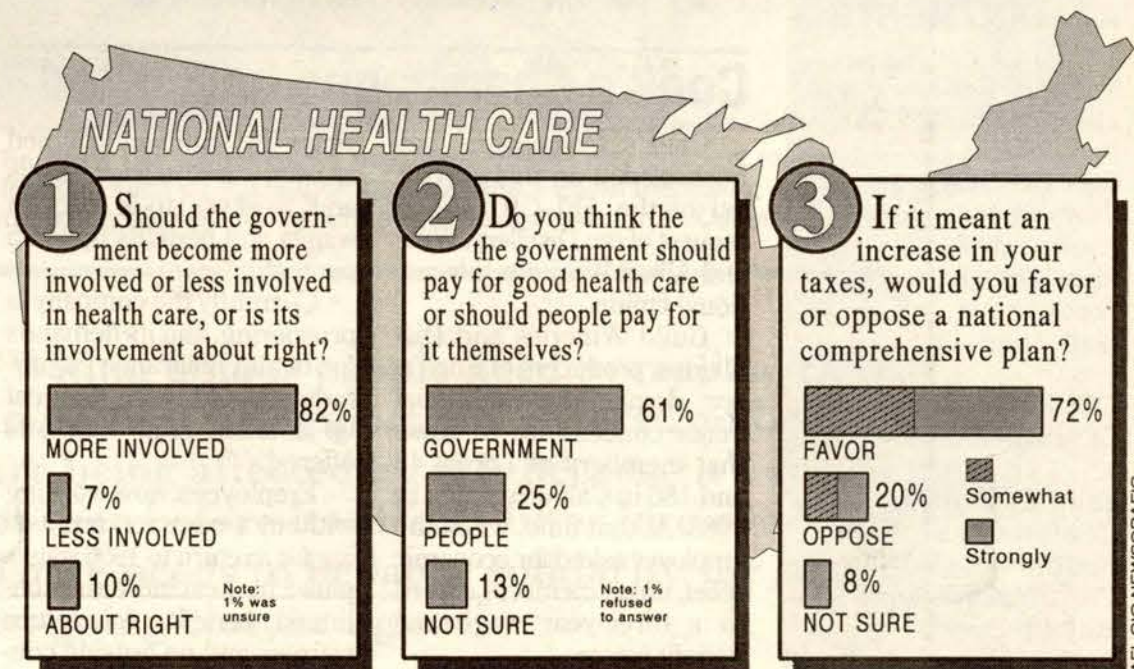
The AFL-CIO series of public hearings on health care opened Sept. 20 in Providence, RI and closes in Austin, Texas on Oct. 25.

In addition to the regional public hearings, the AFL-CIO has taken its campaign for health care reform to the national airwaves this autumn with two "Union Yes" ads on the growing crisis in American health care.

(California AFL-CIO News contributed to this report.)

"It is an outrage that in this most advanced nation of the world we are not able to provide our citizens with basic health care."

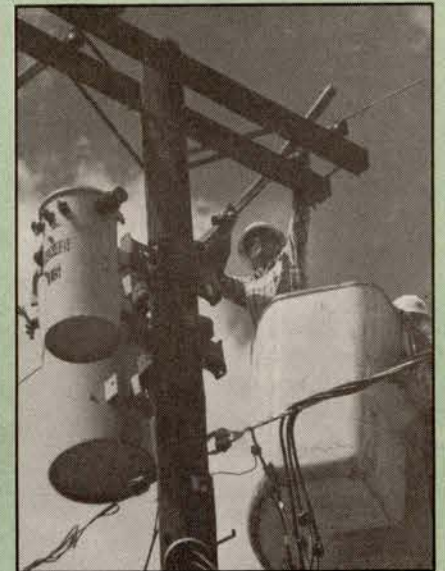
*Don Perata, chair
Alameda County
Board of Supervisors*



Preparing for a dip

The *Utility Reporter* found this Sierra Pacific crew pulling in an additional phase to get ready for an underground dip for a 3-phase pad mount transformer in Reno, Nev.

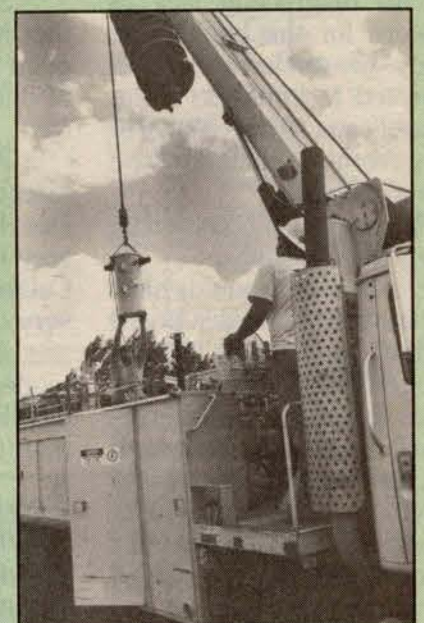
On the crew are: Don Bagley, foreman and 15-year union member, Stan Colson, 12 years, Corey James, 8 years, and Rick Seguin, 12 years.



Corey James



Rick Seguin



Don Bagley (left), Rick Seguin

From left: Stan Colson, Corey James, Rick Seguin and Don Bagley (Photos: Eric Wolfe)



Eight reasons why working Californians should support Feinstein for governor:

1. Feinstein will appoint a labor liaison in the top rank of her staff in the governor's office.
2. Feinstein will consult with organized labor on appointments to major boards and commissions and as director of industrial relations.
3. Feinstein will do all in her power to strengthen Cal-OSHA by restoring funding and authority to protect workers' safety and health.
4. Feinstein will reinvigorate the Agricultural Labor Relations Board to protect farm workers from exploitation.
5. Feinstein will establish a special labor-management task force to create jobs and improve working conditions.
6. Feinstein will work with the legislature to provide health insurance for all working men and women.
7. Feinstein will back the classification studies necessary to implement "comparable worth" for state employees.
8. Feinstein will support expansion of day care for children of working parents, and for leave of a state employee to care for a seriously ill member of his or her family.

Vote: Dianne Feinstein for Governor

GOP governor nixes pro-worker bills during final days of his term in office

In a final insult to working men and women, Gov. Deukmejian is finishing his term in office by vetoing a wide range of bills that would have protected workers' health and safety on the job and enhanced the quality of life of all Californians.

This disgraceful lack of concern for the health and safety of workers can be expected to continue if the Republicans retain control of the governor's chair after the Nov. 6 election.

Among the bills vetoed by Gov. Deukmejian:

- * AB 1469 would have required the Standards Board to draft regulations for carcinogens and industrial processes listed by the International Agency for Research on Cancer and substances for which the Department of Health Services has issued a Hazard Alert regarding carcinogenicity.

- * SB 422 would have required those who bid on public works contracts to provide in-

formation about their safety records and submit a written injury prevention program.

- * AB 1728 would have authorized establishment of a toxic material data base in the Environmental Affairs Agency to help public agencies set up protective regulations.

- * SB 2379 would have authorized the governor to appoint a cabinet-level director of children and youth services.

- * AB 1853 would have replaced the existing Child Development Program Advisory Committee with a new California Child Care Advisory Committee.

- * AB 3462 would have extended from 30 to 60 days the deadline for presenting complaints of discrimination

See the October issue of the Utility Reporter for additional coverage of the candidates and propositions in the Nov. 6 election.

against a worker who has blown the whistle on an employer for Cal-OSHA violations.

- * AB 4259 would have brought county agricultural commissioners and their staffs under the protections of the Hazardous Substances Information and Training Act.

- * AB 1135 would have created a Labor-Management Relations Council to promote cooperation.

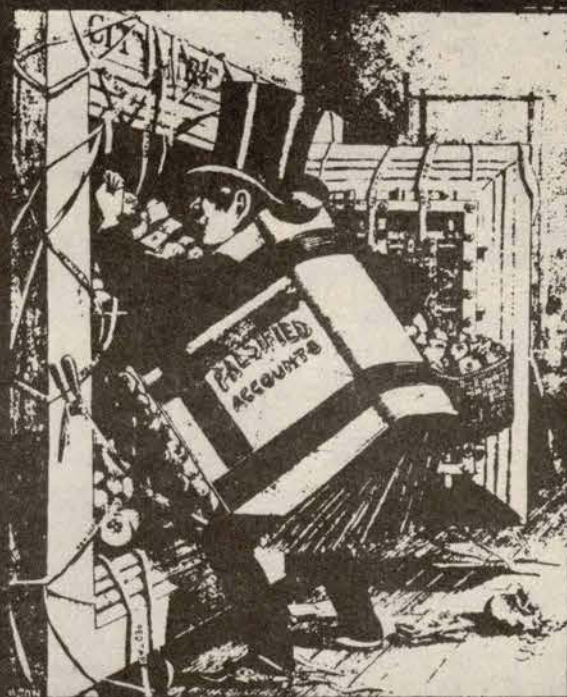
Other pro-worker bills opposed by Deukmejian during the current session of the Legislature include:

- * AB 161, which would make public employers subject to Cal-OSHA civil penalties.

- * AB 2249, which would make it a felony or a misdemeanor for a corporation or manager not to warn its employees and Cal-OSHA of a serious concealed danger.

- * AB 4006, which would allow a 50 percent increase in criminal and civil monetary penalties for Cal-OSHA violations.

Vote!



Bad officials are the ones elected by good citizens who do not vote.

George Fran Nathan

Union members: take this page with you to the polling place for quick reference when voting

Candidates & propositions officially endorsed by Local 1245

The Local 1245 Executive Board, in accordance with the union's by-laws, has endorsed the following candidates and propositions in the November 6, 1990 general election. Endorsements are based on the candidates' record and positions on issues of concern to working men and women.

CALIFORNIA

(D) indicates Democrat
(R) indicates Republican
(I) indicates Independent

CONSTITUTIONAL OFFICERS

Governor:
Dianne Feinstein (D)

Lieutenant Governor:
Leo T. McCarthy (D)

Attorney General:
Arlo Smith (D)

Insurance Commissioner: John Garamendi (D)

Treasurer:
Kathleen Brown (D)

Controller:
Gray Davis (D)

Secretary of State:
March Fong Eu (D)

Board of Equalization:
Dist. 1: William Bennett (D)
Dist. 2: Brad Sherman (D)
Dist. 3: Floyd Morrow (D)
Dist. 4: Paul Carpenter (D)

BALLOT PROPOSITIONS

Proposition 124: OPEN
authorizing the Legislature to permit local hospitals to own health-care related businesses

Proposition 125: OPEN
authorizing use of motor vehicle fuel tax revenues for rail transit

Proposition 126: OPEN
imposing liquor excise tax and excise surtax for alcohol abuse and drug education

Proposition 127: OPEN
authorizing exclusion of earthquake repairs or damage prevention from "new construction" regulations

Proposition 128: OPEN
the "Big Green" environmental initiative

Proposition 129: OPEN
authorizing bonds and appropriations for drug enforcement and treatment and control of gang-related crime

Proposition 130: OPEN
the "Forests Forever" timber initiative

Proposition 131: NO
limiting state officials' tenure in office, establishing partial campaign funding for those who

agree to spending limits, and repealing Propositions 68 and 73 approved in June of 1988

Proposition 132: OPEN
establishing Southern California Marine Protection Zone, restricting use of gill nets and mandating four new ocean water ecological reserves for marine research

Proposition 133: OPEN
increasing the state sales tax by half a cent to establish a "safe streets fund" for anti-drug education, law enforcement, prisons and jails, and prohibiting early release of certain criminals

Proposition 134: OPEN
the "nickel a drink" tax on alcoholic beverages for drug and alcohol abuse prevention, recovery and treatment and related law enforcement

Proposition 135: OPEN
the industry-sponsored pesticide initiative that would revise penalties and eliminate fees charged to pesticide users for regulatory programs

Proposition 136: OPEN
increasing voting requirements for general and special taxes

Proposition 137: OPEN
requiring voter approval of any statute affecting initiative or referendum petitions

Proposition 138: OPEN
the industry-sponsored timber initiative

Proposition 139: NO
Gov. Deukmejian's prison labor initiative

Proposition 140: NO
limiting terms of office and accrual of pension rights for some state officials

Proposition 141: YES
applying to public agencies the carcinogen and reproductive toxic disclosure provisions of Proposition 65, otherwise known as the Safe Drinking Water/Toxics Act

UNITED STATES REPRESENTATIVES IN CONGRESS

District

1. Douglas H. Bosco (D)
2. Erwin E. (Bill) Rush (D)
3. Robert T. Matsui (D)
4. Vic Fazio (D)
5. Nancy Pelosi (D)
6. Barbara Boxer (D)
7. George Miller (D)
8. Ronald V. Dellums (D)
9. Fortney Pete Stark (D)
10. Don Edwards (D)
11. Tom Lantos (D)
12. Robert Palmer (D)
13. Norman Y. Mineta (D)
14. Patricia Malberg (D)
15. Gary A. Condit (D)
16. Leon E. Panetta (D)
17. Calvin Dooley (D)
18. Richard H. Lehman (D)

19. Anita Perez Ferguson (D)
20. Michael A. Thomas (D)
21. Richard D. Freiman (D)
22. David Bayer (D)
23. Anthony C. Beilenson (D)
24. Henry A. Waxman (D)
25. Edward R. Roybal (D)
26. Howard L. Berman (D)
27. Mel Levine (D)
28. Julian C. Dixon (D)
29. Maxine Waters (D)
30. Matthew G. Martinez (D)
31. Mervyn M. Dymally (D)
32. Glenn M. Anderson (D)
33. Open (D)
No endorsement (R)
34. Esteban E. Torres (D)
35. Open (D)
No endorsement (R)
36. George Brown, Jr. (D)
37. Ralph Waite (D)
38. Barbara Jackson (D)
39. Francis X. Hoffman (D)
40. Eugene C. Gratz (D)
41. Dan Kripke (D)
42. Guy C. Kimbrough (D)
43. No endorsement
44. Jim Bates (D)
45. No endorsement

CALIFORNIA STATE SENATE

District

2. Barry Keene (D)
4. Mike Thompson (D)
6. Leroy F. Greene (D)
8. Quentin Kopp (I)
10. Bill Lockyer (D)
12. Dan McCorquodale (D)
14. No endorsement
16. Ray Gonzales (D)
18. Gary K. Hart (D)
20. Alan Robbins (D)
22. Herschel Rosenthal (D)
24. Art Torres (D)
26. Charles M. Calderon (D)
28. Diane E. Watson (D)
30. Ralph C. Dills (D)
32. Evelyn Colon Beckett (D)
34. Ruben S. Ayala (D)
36. Robert Presley (D)
38. William A. Craven (R)
40. Wadie P. Deddeh (D)

CALIFORNIA STATE ASSEMBLY

District

1. Arlie E. Caudle (D)
2. Dan Hauser (D)
3. Lon S. Hatamiya (D)
4. Thomas M. Hannigan (D)
5. Joe Buonaiuto (D)
6. Lloyd G. Connelly (D)
7. Norman S. Waters (D)
8. Bev Hansen (R)
9. Vivien Bronshvag (D)
10. Phillip Isenberg (D)
11. Robert J. Campbell (D)
12. Tom Bates (D)
13. Barbara Lee (D)
14. Johan Klehs (D)
15. Wendell H. Williams (D)
16. John L. Burton (D)
17. Willie L. Brown, Jr. (D)
18. Delaine Easton (D)
19. Jackie Speier (D)

20. Ted Lempert (D)
21. Byron D. Sher (D)
22. Bob Levy (D)
23. John Vasconcellos (D)
24. Dominic L. Cortese (D)
25. Rusty Areias (D)
26. Patrick Johnston (D)
27. Sal Cannella (D)
28. Sam Farr (D)
29. John Jay Lybarger (D)
30. Jim Costa (D)
31. Bruce Bronzan (D)
32. Bernie McGoldrick (D)
33. No endorsement
34. No endorsement
35. Jack O'Connell (D)
36. Ginny Connell (D)
37. Open (D); No endorsement (R)
38. Irene F. Allert (D)
39. Richard Katz (D)
40. Tom Bane (D)
41. Jeanette Mann (D)
42. Open (D); No endorsement (R)
43. Terry B. Friedman (D)
44. Tom Hayden (D)
45. Burt Margolin (D)
46. Mike Roos (D)
47. Teresa P. Hughes (D)
48. Marguerite Archie-Hudson (D)
49. Gwen Moore (D)
50. Curtis R. Tucker, Jr. (D)
51. Marilyn J. Landau (D)
52. Gary L. Neely (D)
53. Richard E. Floyd (D)
54. Willard Murray, Jr. (D)
55. Richard Polanco (D)
56. Lucille Roybal-Allard (D)
57. Dave Elder (D)
58. Luanne W. Pryor (D)
59. Xavier Becerra (D)
60. Sally Tanner (D)
61. No recommendation (D)
62. Open (D);
No endorsement (R)
63. Bob Epple (D)
64. Kevin Grant Gardner (D)
65. Bob Erwin (D)
66. Jerry Eaves (D)
67. Fred Smoller (D)
68. Steve Clute (D)
69. Jim Toledano (D)
70. Howard Adler (D)
71. Peter Mathews (D)
72. Tom Umberg (D)
73. Ray Strait (D)
74. Gerald Franklin (D)
75. Deirdre Alpert (D)
76. Stephen B. Thorne (D)
77. No recommendation
78. Mike Gotch (D)
79. Pete Chacon (D)
80. Steve Peace (D)

SACRAMENTO

MUNICIPAL

UTILITY

DISTRICT

Board of Directors:

Ed Smeloff
Wendy Reid

VOTE!

NEVADA

(*) indicates Republican
All others are Democrats

Governor: Bob Miller
Lt. Governor: Sue Wagner*
Congress Dist. 1: James Bilbray
Congress Dist. 2: Jane Wisdom
Attorney General: Frankie Sue Del Papa
State Treasurer: Ray Shaffer
Sec. of State: James Spinello
Controller: No endorsement
Supreme Ct. B: Thomas Steffen
Supreme Ct. D: Cliff Young

SOUTHERN NEVADA STATE SENATE

Dist. 1 No endorsement
Dist. 2 Thomas Hickey
Dist. 3 Bob Coffin
Dist. 5 Thomas Kirkpatrick
Dist. 6 Ron Cook
Dist. 7 Nick Horn

SOUTHERN NEVADA STATE ASSEMBLY

Dist. 1 Matt Callister
Dist. 2 No endorsement
Dist. 3 Sandra Krenzer
Dist. 4 Bill Kissam
Dist. 5 Vince Triggs
Dist. 6 Wendell Williams
Dist. 7 Morse Arberry, Jr.
Dist. 8 Gene Porter
Dist. 9 Chris Giunchigliani
Dist. 10 Myrna Williams
Dist. 11 Doug Bache
Dist. 12 Jim Schofield
Dist. 13 No endorsement
Dist. 14 Val Garner
Dist. 15 Charlie Wakefield
Dist. 16 Rick Bennett
Dist. 17 Bob Price
Dist. 18 Bob Fay
Dist. 19 Vonne Chowning
Dist. 20 Jack Regan
Dist. 21 Danny Thompson
Dist. 22 Jack Jeffrey
Dist. 41 Larry Spittler
Dist. 42 Renee Diamond

NORTHERN NEVADA STATE SENATE

Dist. 1 Diana Glomb
Dist. 2 Len Nevin
Dist. 3 No endorsement
Capital Ernie Adler

NORTHERN NEVADA STATE ASSEMBLY

Dist. 24 Vivian Freeman
Dist. 25 Bob Kerns*
Dist. 26 Paul Pregelmann
Dist. 27 Ken Haller
Dist. 28 Joseph Johnson
Dist. 29 John Sampaga
Dist. 30 Jan Evans
Dist. 31 Bernie Anderson
Dist. 32 Bob Sader
Dist. 33 No endorsement
Dist. 34 No endorsement
Dist. 35 No endorsement
Dist. 36 Tom Benz
Dist. 37 Gary Sheerin
Dist. 38 Joe Dini
Dist. 39 No endorsement
Dist. 40 Robin Williams-Auer

Back candidates who will back you!

State AFL-CIO adopts positions on initiatives

The California AFL-CIO recommends the following positions on the statewide-ballot initiatives in the November 6 election:

Proposition 124: NO authorizing the Legislature to permit local hospitals to own health-care related businesses

Proposition 125: YES authorizing use of motor vehicle fuel tax revenues for rail transit

Proposition 126: OPEN imposing liquor excise tax and excise surtax for alcohol abuse and drug education

Proposition 127: YES authorizing exclusion of earthquake repairs or damage prevention from "new construction" regulations

Proposition 128: YES the "Big Green" environmental initiative

Proposition 129: YES authorizing bonds and appropriations for drug enforcement and treatment and control of gang-related crime

Proposition 130: NO the "Forests Forever" timber initiative

Proposition 131: NO limiting state officials' tenure in office, establishing partial campaign funding for those who agree to spending limits, and repealing Propositions 68 and 73 approved in June of 1988

Proposition 132: YES establishing Southern California Marine Protection Zone, restricting use of gill nets and mandating four new ocean water ecological reserves for marine research

Proposition 133: OPEN increasing the state sales tax by half a cent to establish a "safe streets fund" for anti-drug education, law enforcement, prisons and jails, and prohibiting early release of certain criminals

Proposition 134: OPEN the "nickel a drink" tax on alcoholic beverages for drug and alcohol abuse prevention, recovery and treatment and related law enforcement

Proposition 135: NO the industry-sponsored pesticide initiative that would revise penalties and eliminate fees charged to pesticide users for regulatory programs

Proposition 136: NO increasing voting requirements for general and special taxes

Proposition 137: NO requiring voter approval of any statute affecting initiative or referendum petitions

Proposition 138: NO the industry-sponsored timber initiative

Proposition 139: NO Gov. Deukmejian's prison labor initiative

Proposition 140: NO limiting terms of office and accrual of pension rights for some state officials

Proposition 141: YES applying to public agencies the carcinogen and reproductive toxic disclosure provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65)

Proposition 142: YES Veterans Bond Act of 1990, providing \$400 million for farm and home purchase aid to California veterans

Proposition 143: YES Higher Education Facilities Bond Act, providing \$450 million for construction or improvement of University of California, California State University and community college facilities

Proposition 144: YES a bond issue of \$450 million for construction of additional state prisons and Youth Authority facilities

Proposition 145: YES Housing Bond Act of 1990, authorizing use of funds from the First-Time Home Buyers Act of 1982 to provide interest subsidies and low-interest second mortgages to first-time buyers; authorizing a new, \$125 million bond issue for housing and earthquake safety

Proposition 146: YES providing for an \$800 million bond issue for improvement or construction of public schools

Proposition 147: YES authorizing \$225 million in bonds for construction, replacement, reconstruction, remodeling, and deferred maintenance of county jails and juvenile facilities

Proposition 148: YES authorizing \$437 million in bonds to finance a water resources program and changing administrative fee provisions of the Water Conservation Bond Law of 1988 and loan provisions of the Safe Drinking Water Bond Law of 1976

Proposition 149: YES the Park, Recreation and Wildlife Enhancement Act of 1990, providing a \$437 million bond issue to acquire, develop or restore property for park, recreation, greenbelt, wildland, fire protection, coastal or museum uses

Proposition 150: YES providing \$200 million for construction, replacement, remodeling and deferred maintenance of county courthouses

Proposition 151: YES providing \$30 million in bonds for child care facilities

Re-elect Norm Waters

Legislator singled out for distinction

During 14 years in the California Legislature, Assemblyman Norm Waters has been named



"Legislator of the Year" five times.

His work on behalf of the environment earned him the California Wildlife Federation's Man of the Year. His efforts to toughen penalties for criminals earned him Legislator of the Year awards from the California Probation, Parole and Correctional Association and the Peace Officer's Research Association of California.

Waters' efforts to reform nursing homes and expand in-home support services for seniors earned him a legisla-

tive award from the California Senior Legislature.

And his support for working men and women has earned Norm Waters the endorsement of Local 1245 and the California AFL-CIO.

In Norm Waters, labor has a friend in the legislature: someone who understands how important it is to protect the rights and living standards of working people. Local 1245 members can help make sure they have a fair and hard-working representative in the California Assembly by re-electing Norm Waters.

*Make your voice heard
Vote November 6*

Elect Arlo Smith

AG candidate defends workers' rights

Arlo Smith, Democratic candidate for attorney general, has been a longtime friend of working men and women in California.

Smith has been a stronger defender of prevailing wage laws and the right to strike. Endorsed by Local 1245 and the California Labor Federation, Smith has stood with working men and women on such issues as workplace safety, pay equity and parental leave.

Smith's opponent, Dan Lundgren, would be a disaster as attorney general. As a US Congressman, Lundgren voted to eliminate prevailing wage protections and to cut funding for OSHA inspection and enforcement. In 136 votes tracked by the AFL-CIO, Lundgren voted *against* working people 129 times.

Labor laws are only as effective as those we elect to enforce them. Working people need an attorney general with experience and

a commitment to fairness. Arlo Smith fits the bill.



Tentative settlement reached with PG&E

from PAGE ONE

Although agreement was finally achieved on all outstanding issues, the talks were not without tense moments. Twenty bargaining sessions were held in all, with some of the meetings running into the early morning hours.

"In the benefits area and the job security area, that's where these sessions went to five in the morning," noted Assistant Business Manager Darrel Mitchell, who de-

scribed those sessions as "difficult" and "intense."

Union negotiators were disappointed that no improvements could be made in provisions for early retirement, but they note that no ground was lost. Local 1245 already enjoys better provisions for early retirement than management at PG&E, and compares well with bargaining unit workers at other utilities, according to Mitchell.

While some retirement

plans, notably in the Bell system, have somewhat better provisions for early retirement, PG&E employees have higher wage rates, which means that Local 1245 members at PG&E may come out ahead even after penalties for early retirement are factored in.

Balloting on the tentative agreement will be conducted by mail during November.

Union members should attend their unit meeting for further details.

New policy on dispatch

Changes in Local 1245's dispatch policy for Outside Line Construction are summarized below:

Signing the out-of-work books: An applicant must be a resident as defined by the Outside Line Construction Agreement to qualify for Book I. In addition, all Book I Journeymen must be Local 1245 members.

An applicant may designate one telephone number and one Fax number to be called for a referral for work. An applicant must personally write the telephone number and Fax number, or a change of a number, in the appropriate out-of-work book. Telephone and Fax referrals will only be placed within California and Nevada. Telephone calls will not be placed to numbers that are not listed with an area code. Referrals may be faxed. Fax numbers must be in the books. Signed receipts must be faxed to the Hall the same day. Fax copy must be given to the Steward on the job site. Applicant must sign Fax liability release at the time of signing books. Applicant must pay all costs of faxing.

Updating the out-of-work books: Each month applicants must update the books in person at a dispatch office in order to remain eligible for a referral. The second Wednesday of each month is update day. In addition, applicants may update at the Sacramento office in the morning of the second Saturday of each month.

To work as a Foreman in Local 1245 jurisdiction, you must be a Local 1245 member, or deposit your card.

There will be no transfers allowed on all special skills calls, such as: Welders, Sappers, Class I License, Operators, etc.

Marks will be given on all calls, including: refusing same call, letter on file (unless appeal is made at next Executive Committee meeting and decision is made that no marks are warranted), special skills, temporary upgrade if qualified, Drivers License.

Outside Line Construction members honored

Local 1245 honored its members in Outside Line Construction for their years of service in the union at an awards ceremony in Riverside, Ca., last summer. Joining the event as guest of the union was Rose

Peterson, who was presented with a plaque honoring her late husband, Curt Peterson. Among those honored were:

40 years: H. E. Jones and Richard Bohn;

35 years: Alvin Heskett,

Jerry Literal, Clay Weimer, Carles Martin and Lyman Morrison;

30 years: Don Brown, Gary Kaunitson, Joe Felts, Clyde Stribling, Bud Updegraff and Bobby Blair;

25 years: David

Boatright, Raymond Dughay, Lars Harbeson, Ron McGivney;

20 years: Robert Bryant, Jim Buchanon, Stephen Scheppele, Don Ankney, Bob Durham, Louis Hogan.

40 years



30 years



20 years



35 years



25 years



Uniting against plant closures

Plant closures and mass layoffs devastated local communities across the United States during the 1980s. In Part Two of this Utility Reporter interview, Mark Friedman of the Oakland-based Plant Closures Project talks about how workers and communities are fighting back.

Part Two

UR: A major cause of layoffs in the US is "capital flight," where companies move overseas in search of cheaper labor. How can this process be fought?

Friedman: We're trying to set up some "protected manufacturing zones" in Berkeley and Oakland. In Berkeley, as in many parts of the Bay Area, the value of land is so high that many profitable corporations see they can make more money by selling out a profitable business to a developer or speculator who wants to build condos, townhomes, put up a retail shopping strip or small shopping mall, or put up an office building. The rental or lease fees you can get for residential, office or retail are three times what you can get for manufacturing or warehousing.

In Berkeley we have formed an alliance with the Central Labor Council of Alameda County, along with many of their affiliates, the United Black Clergy, and a group of artists and artisans who live in that area. We're demanding some zoning constraints on these corporations being able to take manufacturing sites and convert them to yuppie condos and retail places. The population of West Berkeley used to be 50 percent black 10 years ago, now it's down to 30 percent black. Gentrification is driving people of color out of the neighborhood, from all of Berkeley and a lot of places in the Bay Area. So by setting up zoning constraints we're going to protect manufacturing jobs, a

large percentage of which are held by people of color and allow the community to continue. That's why the United Black Clergy has been one of the strongest allies in this whole thing because their community is being ravaged.

UR: Wasn't the Plant Closure Bill designed to take care of this problem?

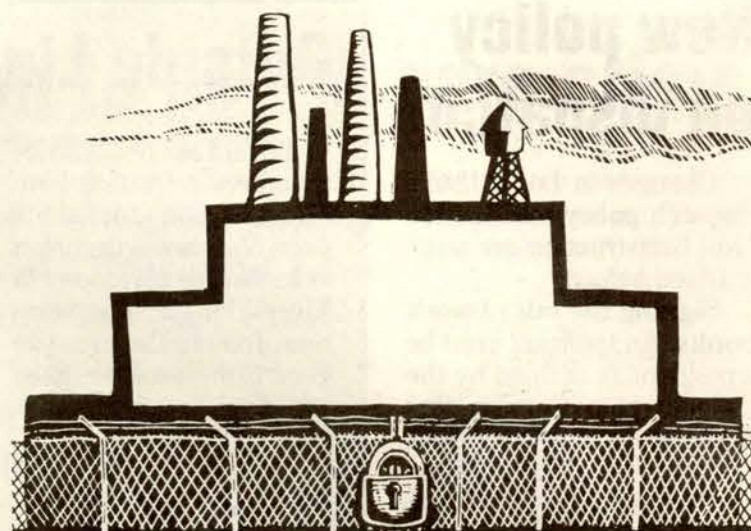
Friedman: It doesn't provide enough notice and it doesn't cover enough employees. The federal WARN legislation that went into place last year says that any company that has over 100 employees has to give 60 days notice to those employees if they're planning on closing that plant.

We feel 60 days is woefully inadequate. A lot of closures we're seeing lately in the Bay Area, they're giving the absolute minimum to the minute. Often these corporations know one, two or even three years in advance when they're planning on closing a facility, but traditionally they don't tell the employees anything until they absolutely have to. So 60 days for somebody who's been working 25 or 30 years in a place is totally inadequate for them to start making plans for how they're going to adjust their lives. It also doesn't allow the community to look at alternatives.

In some parts of the country, there have been plants that have threatened to close, and the community has become outraged and city governments have funded retention studies to look at "How can we save this plant? Can we find other local buyers or even out-of-town buyers who

will keep this open and keep these jobs here? Is it possible to have an employee stock ownership plan where the employees take over the plant and continue to run it?"

But all these things take time, and 60 days is not near enough time. And the fact that it only affects companies that have over 100 employ-

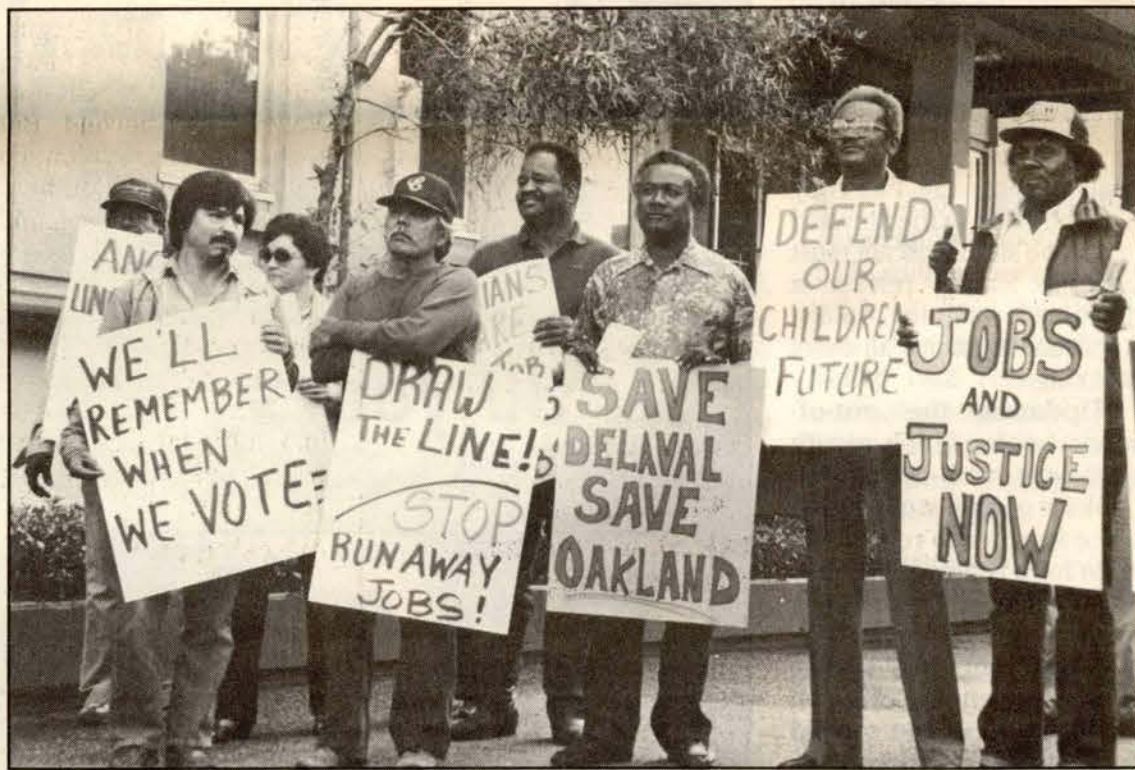


ees makes it a much weaker law also. Because there are a lot of factories and shops that have less than a hundred employees that can close without giving them notice.

UR: Why would policy-makers keep incentives in place for a process that is so obviously wreaking havoc on the economy and

the livelihoods of so many people?

Friedman: To me it's extremely shortsighted. At the same time that the United States is trying to open up markets throughout the world, it is diminishing the market in the United States by decreasing the wages of workers.



The Plant Closures Project organizes community support for workers who fight plant closings, such as the laid-off Glass Molders union members, above, who are shown here protesting against the closure of the Delaval plant in E. Oakland in the late 1980s.

"Within unions people need to realize it's real important to support our sisters and brothers who are being affected by this because it's only a matter of time before its effects filter into every industry... There needs to be labor solidarity for some of the on-going closure fights."

I mean, who's going to buy all this stuff the transnational corporations are producing? Certainly US workers are less and less able to buy those goods. It's shortsighted. Our whole economic system in this country is very shortsighted. The profit and loss of a company is looked at on a quarterly basis and their stock goes up and down based on very shortterm earnings, while in Japan they look at profitability over a longer period of time.

So in the short term a company can make more money by going overseas, and so they put pressure on the government to allow them to do that more easily. But in the long term everybody's going to be hurt by it if the country goes into a recession.

UR: What can people do locally to help change things around?

Friedman: What people in unions can do is look at the broader issues of solidarity. There are some industries that are being ravaged by this deindustrialization. The ILWU is losing 10 percent of its membership every year. The Machinists union is being devastated by it. There are other workforces that haven't yet felt the impact of this process.

But I think within unions people need to realize it's real important to support our sisters and brothers who are being affected by this because it's only a matter of time before its effects filter into every industry. Practically, what can be done, is this:

One, on the public policy level, we support a better early warning system and setting up retraining funds for workers who have lost their jobs, and putting constraints on free flight of capital through es-

tablishing manufacturing zones.

Two, on the level of fighting back against particular closures, there needs to be labor solidarity for some of the on-going closure fights. Some of the most recent ones in the Bay Area have been Orthotech in San Leandro, 100 workers lost their job. Koret in San Francisco, over 400 people, primarily women, lost their jobs. In Richmond, there's been two major closures: at California Peanut, 200 workers are losing their jobs, and Pacific Rim Manufacturing, about 150 workers lost their jobs there. In Oakland, Owens Illinois closed and over 400 people lost their jobs. The closures continue.

UR: On the public policy level, is there anything happening right now in California?

Friedman: There's more that can be done if the state was a little more forward-thinking. Some states have excellent plant closure legislation. The state of Maine requires 90 days advance notice. Continuing health benefits for a period of up to six months is mandated in some states for workers who lose their jobs. The federal legislation doesn't have any provision for the continuation of health benefits. So statewide we could have much stronger legislation on plant closures, for advance notice, early warning, and protection of jobs.

But as long as we have the current governor of California, any such legislation would be vetoed.

UR: Of the two candidates for governor, do either seem sympathetic to that kind of legislation?

Friedman: I think Feinstein has the full support of labor. If she's elected she's going to be under some pressure to take the lead in legislation that's favorable to labor. Wilson has never shown any interest in supporting any issues that are dear to the hearts of labor or having anything to do with plant closures. So I think on that level we'd be much better off with Feinstein.

Federation for Industrial Retention and Renewal

A national movement rises from ashes of mass layoffs, economic devastation

The period 1982 through 1987 was the Great Depression revisited for many American workers and American industry.

Millions of workers lost their jobs. Corporations hemorrhaged red ink. Bankruptcies reached record numbers. Community services were curtailed or eliminated. Social problems mushroomed. Families dissolved.

And a new name was born—The Rust Bowl, a pejorative characterization of the economic decline of a great sweep of America—from the Northeast, through the Mid-Atlantic and Midwest states, down the Ohio and Mississippi Valleys, and beyond. But the deindustrialization did not stop there. Southern states saw their new-found economic boom fade as corporations moved to Mexico and other third world countries. The West Coast auto and rubber industries collapsed. The Northwest lost shipyards, timber companies, and mining operations.

Attacking problem

At the height of this crisis, labor unions, community groups and community activists joined together to provide the first substantive leadership and methodology to attack the problem at its root. Recognizing that accepting the deindustrialization of America as merely part of the natural economic order would be catastrophic, these activists set about to change the popular wisdom.

Trade unions began experimenting and initiating employee buyouts and new types of ownership with faltering companies, experimenting with new forms of worker participation in decision-making, new dis-

placed worker programs, new forms of labor-management relations, and creative uses of investing union pension funds.

Local and state governments and their agencies began piloting new and innovative programs for revitalizing manufacturing and protecting the victims of job loss.

Massachusetts, with the establishment of the "Industrial Services Program," provides substantial support and retraining opportunities to dislocated workers, technical and financial assistance to troubled companies, and programs to rebuild distressed communities in various parts of that state.

Michigan has developed a comprehensive and innovative program for rebuilding the local auto industry by funding and developing the application of new technology to basic manufacturing, and using a portion of state pension funds for industrial development.

Grassroots action

Parallel to these developments in the 1980s was the rise of community and church-based groups throughout the country which, at the grassroots level, began taking up the fight to save jobs, revitalize manufacturing and industry, and protect the economic and social welfare of workers and communities.

*In northern California, a grassroots coalition won a precedent-setting "superfund" called the Redwood Employee Protection Program, providing more than \$100 million for some 6,000 former timber workers who received full or partial wage replacement, medical benefits, basic education, retraining, relocation assistance and job placement.

*In Connecticut, a local

coalition of labor, church and community activists combined their efforts to arrange the worker buyout of a major wire-producing facility, Seymour Specialty Wire, saving 250 jobs and a whole community's tax base.

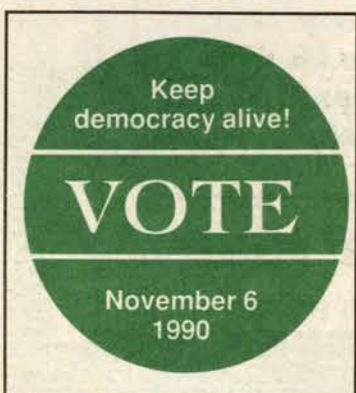
*In Minnesota, a grassroots coalition got local legislation passed that required companies using public funds to agree to job retention initiatives and regulations.

*In Chicago, a local coalition won official city support for setting up a broad-based "Early Warning Network" that is now being copied around the country, and has assisted workers and minority entrepreneurs to buy companies at risk of folding because of retiring owners.

*In western Pennsylvania, a coalition of municipal, labor and community groups created an industrial development authority, the "Steel Valley Authority", which is vested with the power of eminent domain to seize plants designated for closing. The coalition is working to reopen an LTV Steel facility in Pittsburgh, Pa.

In 1987, nearly two dozen local and regionally-based groups joined forces to form the Federation for Industrial Retention and Renewal (FIRR). Initially organized as defensive bodies to resist plant closings and assist dislocated workers and distressed communities, the groups composing FIRR grew and began to develop more proactive strategies and long-term goals.

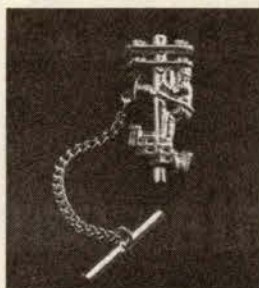
Today they are a growing force with an agenda that all working people can embrace: reindustrialization and permanent, decent jobs, with decent wages, in a safe working environment.



HOLIDAY GIFT IDEAS FROM THE UNION SHOPPER



Stadium Jacket
\$35.00 (S-2X) \$45.00 (3X, 4X)
Red, Navy, Grey, Black;
front or back logo



Lineman Pin
\$5.00
Goldtone

Bucket Bag
\$5.00
Lineman Logo



Sweatshirt
\$18.00 (Crew) \$20.00 (Hooded)
Red, Blue, Grey, Black; M-2X



Suspenders
\$10.00
Red, Yellow; Reg., Long, XLong



Coffee Mug
\$5.00
Proud To Be Union, Local 1245 Logo



Club Shirt
\$25.00 With Pocket \$22.00 No Pocket
Red, Royal, Navy, White, Maize, Black,
Mint, Jade, Lt Blue, Peach; M-2X



Ball Caps
\$5.00
1) Black, IBEW Logo; 2) Black, Lineman Logo;
3) Red & Blue, Proud To Be Union Logo



IBEW Women Charm
\$8.00
14K Gold-plated

Order Form (please print)

Quantity	Item	Color	Size	Price
1.				
2.				
3.				
4.				
5.				
6.				
Total Price:				\$
Name _____				
Address _____				
City/State/Zip _____				
Phone _____				

Mail completed form with
check or money order
payable to "IBEW Local
1245":

IBEW Local 1245
c/o Office Manager
P.O. Box 4790
Walnut Creek, CA 94596



PG&E Contract Offer

Letter from the IBEW Negotiating Committee

Dear Member,

On October 3, 1990, your negotiating committee reached a tentative settlement with PG&E. The agreement, upon ratification, would become effective on January 1, 1991.

This contract offer comes after four months of steady work by the negotiating committee. That work included 20 negotiating sessions with PG&E, with some of the meetings lasting up to 20 hours.

Today's bargaining environment poses many difficulties for union negotiators. Employers frequently seek "takeaways", cost-shifting of medical expenses onto employees, and minimal wage increases.

Going into this environment, your negotiating committee established three goals which guided our entire bargaining effort. These goals were:

1. Maintaining medical and other benefit coverage, while continuing to protect employees from having to make any payments toward premiums;
2. Improving on job security; and
3. Meeting or exceeding wage increases in relation to other major gas and electrical utilities in California.

On the other hand, PG&E was apparently attempting to shift benefit costs onto employees, to reduce some benefit coverage, and to improve their flexibility in managing the company.

Local 1245's committee was successful in achieving the three major objectives while being able to establish acceptable terms in those areas where the Company met its own objectives.

Accordingly, your committee believes this settlement is worthy of your consideration and your approval.

In unity,

Your Local 1245 Negotiating Committee

Code to Contract Language

Added language is underlined

Deleted language is boldfaced and italicized

Explanations are in shaded areas

Letter from the Company

Pacific Gas and Electric Company
215 Market Street
San Francisco, CA 94016
415/973-3425

Richard B. Bradford
Manager
Industrial Relations

October 11, 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:

This letter and its attachments will confirm the Company's understanding of the settlement reached on October 3, 1990, between the Company's Negotiating Committee and the Union's Negotiating Committee in the 1990 Negotiations with respect to the IBEW Agreements between Company and Local Union 1245, IBEW.

1. Wages

The Company will grant a general wage increase of three and three-quarter percent (3-3/4%), effective January 1, 1991; four percent (4%), effective January 1, 1992; and four and one-half percent (4-1/2%), effective January 1, 1993, to employees covered by the Physical and Clerical Agreements. Our customary rules of rounding will be applied.

2. Favorable Terms

During the course of General Negotiations, Union expressed great concern over the granting of favorable terms or conditions to a group of bargaining unit employees without specific Union agreement. Company shares such concern and agrees that the terms and conditions negotiated by the parties are not to be abrogated by local negotiations directly with employees or unilateral action. The parties agree that the negotiated general settlement is in effect for the term of the agreement and any local favorable terms or conditions may be a violation of the anti-abrogation clause and result in the continuation of such terms or conditions through their adoption as contractual provisions.

3. Family Issues Committee

The parties agreed to meet commencing not later than August 1, 1991, for the purpose of addressing such issues as Job Sharing; Educational Leave of Absence; Child Care; adoption assistance; resource and referral program; dependent care reimbursement account; and other family related concerns.

4. Hydro Issues

The parties agreed that Company's Hydro Department proposals concerning the Water System Repairman and the Ditch Tender classifications be addressed after a tentative agreement has been reached in General Negotiations, but prior to the end of 1990 for implementation on or before January 1, 1991.

5. Gender Neutral Job Classification Titles

Company and Union will establish gender neutral job classification titles during the term of the Agreement. Such gender neutral job classification titles shall be incorporated in the job definitions and lines of progression booklets for the Physical and Clerical bargaining unit as they are updated by the parties.

6. Language Concerning Divisions and Regions

Company and Union agree to include in Agreement language changes listed in Letter Agreement No. 90-3.

7. Per Diem Joint Study Committee

During Company and Union G.C. Subcommittee bargaining, a number of problems were identified relating to the current per diem system. Among them, cost control, expense reimbursement issues, language clarification and simplification, and administrative issues. It is Company's belief that these problems should be further analyzed and resolved for the long-term benefit of the parties.

The per diem system in the last 15 years has undergone only one major change. In 1980, the A and B residence was changed along with the move to mileage zones. Since 1980, only minor changes and adjustments were made to the rates and eligibility.

The Company proposes to establish a Joint Committee which will meet not later

than March 1, 1991, and conclude not later than December 31, 1991. This Committee shall:

(1) Jointly study per diem practices and trends of the utility and construction industry in the service area, state and nation.

(2) Review current per diem practice and, if possible, recommend ways for the Company to achieve its goal to make it simple, contain cost, and to fairly reimburse employees.

The Committee will be supported by a steering committee consisting of (1) the Manager of Industrial Relations or his designate, (2) an ENCON Manager, (3) the Business Manager of Local Union No. 1245, IBEW, or his designate, and (4) an IBEW Business Representative representing ENCON. This group will guide committee formation, protocol, and review their work progress and product.

8. Training

The parties agreed that training programs for combination crews and the Gas Operator-in-Training classification will be developed jointly.

9. VDT Subcommittee

The Company and Union agree to establish a subcommittee reporting to the Joint Health and Safety Committee, the Business Manager of IBEW, Local 1245 and the Manager of Industrial Relations.

This subcommittee will examine relevant issues relating to Video Display Terminals and develop recommendations to be adopted by the Company and Union, as minimum requirements to protect the health and safety of employees using Video Display Terminals and other electronic video equipment. The subcommittee's examination will address the following areas:

1. Ergonomically designed equipment, furniture and accessories.
2. Proper maintenance of equipment and furniture.
3. Proper illumination and reduction of glare.
4. Work breaks/alternate work.
5. Education and training programs.

In addition, the subcommittee will: (1) conduct a survey of the system and/or on-site investigations to determine immediate, short term and long term equipment needs, (2) examine potential costs to renovate and (3) determine necessary training required as well as other pertinent issues.

The subcommittee shall be comprised of not more than three members representing Union and not more than three members representing Company. The Joint Health and Safety Committee shall act as an Overview Committee.

The subcommittee shall start its examination of the issues not later than March 1, 1991 and shall submit its final report on or before December 31, 1991.

In the interim, the parties agree that the following recommended guidelines will be considered prior to the purchase of any new VDT workstation equipment.

VDT Recommended Guidelines:

"Terminal" or "VDT" means any stationary electronic video screen data presentation machine, commonly referred to as a video (or visual) display terminal (VDT), cathode ray tube (CRT), word processor, personal computer (PC), mini-computer or data entry terminal.

"Work Station" means the furniture, equipment and accessories related to use of the VDT which make up the VDT operator's immediate work environment.

A. VDT Equipment

1. Keyboards.
 - a. The design of the keyboard should permit it to be easily repositioned on the work surface (i.e., detachable).
 - b. Angle adjustment should be integral to the keyboard.
 - c. There should be a matte finish on keys and other keyboard surfaces.
 - d. The keys should have a light touch requiring little force to type on them.
 - e. Newly purchased keyboards should have a low profile design. (This reduces, but does not entirely eliminate, the need for wrist rests.)
2. Visual display unit or monitor.

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- a. There should be a matte finish on the monitor case, knobs and screen.
- b. Display screens should be maintained clean, clear and be without visually perceptible flicker.
- c. The display unit should be adjustable for tilt and swivel, or on a device which allows for these adjustments.
- d. The display unit should have adjustable contrast and brightness controls.

B. Work Station Furniture and Accessories

1. Chairs.

- a. Chairs should be provided that allow the operator to place feet comfortably on the floor or, if necessary, a foot support surface.
- b. The height of the seat and the angle of the seat back should be adjustable by the operator in a seated position.
- c. The maximum seat depth (forward edge to backward edge of seat pan) should permit contact with the seat back in the lower back area and be designed to avoid pressure on the back of the lower leg (such as a "waterfall" front edge design).
- d. The seat width should be at least the thigh breadth of the seated person.
- e. A back rest which supports at least the low back region or above with a minimum width of 12 inches in the low back region should be provided. A contoured lumbar (low back) support should be provided on the backrest.
- f. The angle between the seat back and the seat pan shall permit the user to assume a firmly supported working posture with a torso-to-thigh angle of at least 100 degrees but not less than 90 degrees.
- g. Chairs with seat pans that tilt forward should be designed so as not to constrain the upper body to a position forward of vertical.
- h. Chairs should be stable and capable of swiveling. Where mobility is required, chairs should be fitted with casters. Chairs with casters shall have a five (or more) prong base.
- i. Chairs should be upholstered with absorbent fabric.
- j. Armrests should be provided upon the request of the operator, and if provided, should be at least the width (between armrests) of the operator.

2. Work surfaces (desks, tables where VDT equipment is positioned).

- a. The depth should be adequate to allow knees and feet to fit under the work surface.
- b. The width for leg clearance should be larger than the thigh breadth of the operator by at least one inch.
- c. The height of the space for leg clearance should be at least equivalent to the highest point on the thigh or knee, with operator wearing shoes and the lower legs in a normal working position.
- d. Height adjustable tables are recommended especially for work stations used by more than one operator. If a single keyboard and display support surface is used, the primary determinant for height of the work surface should be the keyboard height. The monitor can be elevated by use of risers or other support surfaces. Alternatively, a keyboard arm attachment may be used to provide a lower keyboard surface.
- e. The placement of the keyboard should allow the operator to adopt a posture such that the angle between the upper arm and the forearm is greater than 70 degrees and less than 135 degrees. Placement of the keyboard should promote a neutral (flat) position of the wrist so as to avoid extension or flexion at the wrist.
- f. The height of the display support surface should permit the entire viewing area of the display to be located between zero and 60 degrees below the horizontal line of sight. This means that the top of the screen should be about at eye level or slightly below. The operator should not have to twist to look at the screen.

- g. The work surface, keyboard and display support surfaces should be sufficient to accommodate the VDT components and other task-dependent items such as hard copy.

3. Accessories

- a. Wrist or palm rests should be provided to support the hands and forearms or to reduce wrist extension at the keyboard if requested by the operator.
- b. Articulated keyboard arms may be provided to allow adjustment of the height of the keyboard.
- c. Display support stands or risers may be provided to meet the requirements in Paragraph II, Section B.2(f) for height of display.
- d. Foot rests should be provided for operators whose feet do not rest comfortably on the floor with existing furniture.
- e. Document holders should be provided on request by the operator to allow placement of documents in the same viewing angle as specified for display screens in Paragraph II, Section B.2(f).
- f. Anti-glare treatment for the display screen (anti-glare or etched screen, diffusing surface, anti-reflection coating, or faceplate filter) should be provided at the request of the operator.

C. Work Station Environment

1. Light levels should be controlled to minimum glare with individual work station lighting provided for jobs requiring higher levels due to visual demands. Lighting may be controlled by use of shielded luminaries, indirect luminaries, or collimating luminaries.
2. Equipment should be located, or the room arranged, so that bright sources are not in the visual field while viewing the screen, or so that the source documents or light colored materials are not seen by the VDT user as reflections on the screen.
3. Light from windows should be controlled by using drapes, blinds, reduced transmission glass, louvers, baffles, or a combination of these controls.

10. Open Enrollment for Group Life Insurance

Company agreed to provide for an open period for employees to participate in the Group Life Insurance without any requirement other than making the appropriate contributions. This open period will be effective March 1, 1991.

Explanation: Provides for open period to give employees that have not yet signed up for group life another chance to do so. An employee must be participant in Group Life Insurance Plan to be eligible for L.T.D.

11. Renaming Helper Classifications

Company agreed to rename the Helper classification to Utility Worker.

12. Reclassification of Pressure Operators

The parties agreed to reclassify incumbent Pressure Operator to Gas Control Operator. Such incumbents will not be required to complete the Gas Operator-in-Training Testing Program.

13. Attachments

Attached are amended contract sections as agreed to during the negotiations, as follows:

Attachment Amendments to:

- A Physical Agreement and its Exhibits, Supplements and Clarifications
- B Clerical Agreement and its Exhibits, Supplements and Clarifications
- C Benefit Agreement
- D Medical, Dental and Vision Agreement

If any of the above or the attachments thereto are not in accordance with your understanding of our settlement, please let me know immediately.

Sincerely,

/s/ Richard B. Bradford
Manager
Industrial Relations

Physical Agreement

TITLE 1. PREAMBLE

1.2 NON-DISCRIMINATION

It is the policy of Company and Union not to discriminate against any employee because of race, creed, or religion, physical or mental handicap, sex, sexual orientation, color, age, national origin or veteran's status as defined under any Act of Congress or any other non-job related factor. (Amended 1-84-91)

Explanation: Expands reasons for discrimination to include "any other non-job related factor." Conforms to existing ESC contract language.

TITLE 4. UNION SECURITY

4.1 AGENCY SHOP

(a) Language unchanged.

(b) Language unchanged.

(c) Language unchanged.

(d) Any bargaining unit employee who is temporarily placed in a non-bargaining unit classification shall continue to be subject to the provisions of Subsection (a) above, for the duration of such temporary assignment. (Added 1-1-91)

(e) Once each month, Company shall provide to Union a list of employees in bargaining unit classifications who did not tender dues or an agency fee to Union during the preceding 30 day period. (Added 1-1-91)

Explanation: Adds (d) to include in contract language that, when temporarily upgraded to non-bargaining unit position, union dues/fees will still be paid. Adds (e) to include in contract language that company shall provide union with list of employees who did not tender dues/fees once each month.

TITLE 5. UNION ACTIVITY

5.5 NEW EMPLOYEE INFORMATION

Company's local Human Resources Representatives shall, through local supervisors, notify the designated local Shop Steward or Representative of Union, in writing, of the reporting for duty of new bargaining unit employees within thirty days. Upon said notification, the parties may schedule necessary paid time (not to exceed one-half hour) and facilities for Union to provide orientation information regarding the obligations and benefits of Union membership. In addition, Company will include a one-page document, as submitted by Union, in the customary new employee orientation information package. Such document or discussion shall not include any matters derogatory to the Company and its customers. (Amended 1-1-88-91)

Explanation: Company must, through Human Resources representatives, notify Local shop steward "in writing" within "30 days" reporting for duty of new employees.

TITLE 101. LEAVE OF ABSENCE

101.2 PERIOD OF LEAVE

(a) Language unchanged.

(b) Child Care Leave: A regular employee who has become a parent by the birth of a child or has adopted ~~adoption~~ of a child, or has become the legal guardian of a child shall be entitled to an unpaid "leave of absence" for a period not to exceed six consecutive months, without reference to urgent and substantial personal reasons to care for such newborn or adopted child. When an employee who was granted a leave for child care applies for reinstatement the employee will be returned to the employee's former classification and headquarters which the employee vacated. (Amended 1-1-88-91)

[Remaining language unchanged.]

Explanation: Expands to include guardianship of a child, to qualify for leave.

101.9 FUNERAL LEAVE

(a) If at all possible, a regular employee will be granted the actual time off with pay necessary to attend the funeral of a member of the immediate family, including the time the body may lie in state and the day of the funeral, and the time necessary to travel to and from the

location of the funeral, but not to exceed three workdays. Unused vacation or floating holidays may be granted to extend an employee's funeral leave beyond the three days provided for above or personal time off without pay for the time needed will be granted. The immediate family shall be limited to: an employee's spouse, parent, grandparent, grandparent-in-law, parent-in-law, child, grandchild, son-in-law, daughter-in-law, stepchild, brothers, sisters, half-brothers and half-sisters, foster parents, step-parents, aunts, uncles, or a more distant relative an individual who was a member of the employee's immediate household at the time of death. (Amended 1-1-88-91)

(b) Language unchanged.

(c) Language unchanged.

Explanation: Adds "aunts" and "uncles". Deletes "more distant relatives" and adds "an individual".

TITLE 103. HOLIDAYS

103.1 HOLIDAY ENTITLEMENT

Only regular employees who are not on a "leave of absence" and who:

(a) are paid for the workdays immediately before and after the holiday, or

(b) are off work with permission, but without pay, for reasons of illness or disability, on the workdays immediately before and after the holiday, or

(c) are paid for the workday either before or after the holiday but are off work with permission without pay on the other day,

shall except as provided in Section 103.7, be entitled to have the following holidays off with pay when they fall on a workday in such employee's basic workweek:

New Year's Day	(January 1)
Washington's Birthday	(3rd Monday in February)
Memorial Day	(last Monday in May)
Labor Day	(1st Monday in September)
Veteran's Day	(November 11)
Thanksgiving Day	(4th Thursday in November)
Friday after Thanksgiving	(see 103.5 below)
Christmas Day	(December 25)
Three Floating Holidays	(see Section 103.3)

(Amended 1-1-88-91)

103.3 FLOATING HOLIDAYS

An employee may select any day as a floating holiday, except those holidays listed under Section 103.1, either during the vacation sign-up provided for in Section 111.13 or during the year. Except in emergencies, employees shall make a good faith effort to notify their supervisor at least 24 hours in advance for all floating holidays which are not scheduled in accordance with Section 111.13. A supervisor may, however, limit the number of employees in a classification at a headquarters who may be off on a floating holiday on any given day. If more employees elect a specific day as a floating holiday than can be permitted to be off on that day, the preference will be given in order of service to employees who sign up during the annual vacation sign-up. Under no circumstances may an employee with greater service "bump" an employee who has signed up for a given floating holiday earlier in the year. (Amended 1-1-88-91)

Explanation: To clarify language to not allow a floating holiday to be requested on any other holiday listed under Sect. 103.1.

103.4 SUNDAY HOLIDAYS

When any of the above holidays falls on a Sunday, the Monday following shall be observed as the holiday. However, those employees scheduled to work on Sunday at the straight time rate shall observe that Sunday as a Holiday and the following Monday shall not be treated as a Holiday. (Amended 1-88-91)

Explanation: Changes Sunday to be observed as the holiday when an employee is regularly scheduled to work that day. For example: a shift employee scheduled to work Sunday, December 25, and has a regular scheduled day off Monday, December 26, Sunday will then be observed as the holiday.

103.5 EMPLOYEES SCHEDULED TO WORK ON FRIDAY AFTER THANKSGIVING

Consistent with the provisions of Title 3 of this Agreement, employees may be scheduled to work on the Friday following Thanksgiving Day and the provisions of Subsection 103.7(a) are not applicable. In lieu thereof, such employee must elect to take another day off by June 1 of the following year. However, if such day off has not been arranged by Company by June 1, the provisions of Subsection 103.7(b) shall apply to his next regularly scheduled workday after June 1, provided the employee notified his supervisor of his election at least seven calendar days in advance of the day selected. The

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number of such employees who are required to work on the Friday following Thanksgiving Day shall be kept to a minimum consistent with operational needs. (Amended 1-1-80)

Deleted 1-1-91

Explanation: Deletes this section from contract, lifting restrictions related to this holiday. Friday after Thanksgiving will be observed as all other holidays listed under Section 103.1.

103.15 Martin Luther King, Jr.'s Birthday

In observance of Dr. Martin Luther King, Jr.'s birthday, Company agrees that an employee's request to use a floating holiday for commemoration will be granted, except that Company may limit the number of employees who may be off based on the minimum staffing requirements for a regular holiday. In consideration of operational needs, employees are encouraged to submit their requests in a timely fashion. (Added 1-1-91)

Explanation: Adds language to contract to allow employees to request a floating holiday on Dr. Martin Luther King Jr.'s Birthday and his/her request will be granted based on limitations for minimum staffing and operational needs. These limitations will be the same as on any other holiday. For example: if on all other holidays, the staffing at a headquarters is five employees off and two employees working, then these same staffing numbers should be observed on Dr. Martin Luther King Jr.'s Birthday.

TITLE 104. MEALS

104.10 MEALS - REIMBURSEMENT AND TIME TAKEN

(a) Company shall pay the cost of any meal which it is required to provide under this Title, and shall consider as hours worked the time necessarily taken to consume such meal, except, however, that when a meal is taken at Company expense following dismissal from work the time allowance therefor shall be one-half hour. If an employee who is entitled to a meal under the provisions of this Title prior to work, during or upon dismissal from work does not accept such meal the employee shall nevertheless be entitled to such time allowance of one-half hour for each meal missed and meal reimbursement as provided in (b) below. The foregoing shall not apply to an employee's regular lunch period. (Amended 1-1-91)

(b) At the employee's option, Company shall pay an allowance for any meal which it is required to provide in accordance with the following schedule:

1. Prior to reporting to work:

(i) Meal nearest regular starting time	\$8.00	\$7.00
(ii) Meal nearest midpoint of regular hours	8.00	7.00
(iii) Meal nearest regular quitting time	15.00	14.00

2. Meal following dismissal from work 15.00 14.00

3. Meal missed during a work period 15.00 14.00

The allowances referred to above may be paid by separate check and shall be issued on a weekly basis.

(Amended 1-1-91)

(c) Language unchanged.

Explanation: Adds language to indicate this section does not apply to regular lunch period. Adds \$1.00 to all meal allowances. Adds language to allow company to pay meal allowances by check on a weekly basis. This does not apply to meal reimbursement when a meal has been purchased.

104.12 OVERTIME MEALS FOR SHIFT EMPLOYEES

(a) Language unchanged.

(b) Language unchanged.

(c) such employee may provide the meal(s) on the job, and the Company shall pay the employee an allowance of ~~\$7.00~~ \$8.00 for each meal. (Amended 1-1-8891)

(d) Language unchanged.

Explanation: Increases meal allowance from \$7.00 to \$8.00.

104.15 MEALS - RESIDENT EMPLOYEES

This title shall apply to resident employees. Where Company determines that it is not practicable to provide meals on the job for resident employees, as herein provided, they shall provide their own meals and Company shall reimburse them for the cost thereof not to exceed ~~\$7.00~~ \$8.00 for each meal. (Amended 1-1-8891)

Explanation: Increases meal allowance from \$7.00 to \$8.00.

TITLE 105. SAFETY

105.1 PREVENTION OF ACCIDENTS

(a) The safety rules of the state having jurisdiction shall be observed by the parties hereto. It is recognized that the Employer has the exclusive responsibility for providing a safe and healthful workplace.

(a)(b) Company shall make reasonable provisions for the safety of employees in the performance of their work. It shall provide each new employee, and each employee who has transferred into an electric generating or gas compressor plant, with a safety indoctrination during the first five days of employment, which shall include, where appropriate, giving such employee a copy of the Accident Prevention Rule Book and an indication of the applicable sections therein.

(b)(c) Company and Union shall cooperate in promoting the realization of the responsibility of the individual employee and supervisor with regard to the prevention of accidents. (Entire Section amended 1-1-8091)

Explanation: Adds language to contract stating it is company's responsibility to provide safe and healthful workplace.

TITLE 106. STATUS

106.6 PART-TIME EMPLOYMENT

(a) A part-time employee is any employee whose regularly scheduled workweek is less than 40 hours. Regular part-time employees who attained part-time status on or before December 31, 1990 shall be entitled to Service and prorated vacations and sick leave based on the ratio their scheduled workweek bears to 40 hours of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. Regular part-time employees who attained part-time status on or after January 1, 1991 shall be entitled to Service and prorated benefits, vacations and sick leave based on the ratio of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. (Amended 1-1-91)

(b) A part-time employee who attains regular status or a regular full-time employee who accepts part-time status on or after January 1, 1991 shall be eligible to receive the following benefits:

(1) Group Life Insurance and Long-Term Disability coverage, and Retirement Plan and Savings Fund Plan benefits as provided in the Benefit Agreement.

(2) Medical, Dental and Vision plan coverages as provided in the Medical, Dental and Vision Benefit Agreement.

(3) Vacation allowance as provided in Title 111, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.

(4) Sick Leave as provided in Title 112, but prorated based on the ratio of straight-time hours worked in a year to 2,080 hours. Sick leave may only be taken on those days or for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury.

(5) Paid Holidays when regularly scheduled to work on that day. Such holiday payment shall be in proportion to the amount of time which the employee would have worked on that day if it were not a holiday.

(Added 1-1-91)

Explanation: This section maintains existing benefits for present part-time employees and establishes pro-rated benefits, vacation and sick leave for regular part-time employees who attain part-time status on or after January 1, 1991, based on a ratio of total straight-time hours worked in a year to the full-time equivalent hours.

106.7 INTERMITTENT EMPLOYEES

(a) Language unchanged.

(b) Language unchanged.

(c) An intermittent employee who attains regular status or a regular employee who accepts intermittent status shall be eligible to receive the following benefits:

(1) Group Life Insurance and Long-Term Disability coverage, and Retirement Plan and Savings Fund Plan benefits as provided in the Benefit Agreement.

(2) Long-Term Disability coverage with the base rate established on the basis of the previous six months' average straight-time rate.

(3) Retirement Plan as described in the Benefit Agreement.

(4) Savings Fund Plan, when qualified, based on a percentage contribution of employee's actual straight-time wage in conformance with the rules of the Savings Fund Plan.

(2) Medical, Dental and Vision plan coverages as provided in the Medical, Dental and Vision Benefit Agreement.

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(5)Dental Insurance and Vision Care.

(6)Group Medical Insurance. If an employee does not work in a given month, double deductions for premiums will be made in succeeding months.

(7)(3)Vacation allowance as provided in Title 111, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.

(8)(4)Sick Leave as provided in Title 112, but prorated based on the ratio of total straight-time hours in a month to 173 hours in a year to 2,080 hours. Sick leave may only be taken on those days and for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury.

(9)(5)Paid Holidays when regularly scheduled to work on a regular schedule known in advance that day. Such holiday payment shall be in proportion to the amount of time which such the employee would have worked on such that day if it were not a holiday.

(Amended 1-1-91)

Explanation: This section is rewritten for clarification of benefits of Intermittent employees.

106.12 TEMPORARY ADDITIONAL EMPLOYEE (Added 1-1-91)

In order to make assignments for occasional or seasonal work, Company may hire temporary additional employees in accordance with the following conditions:

(a)Company shall first fill all temporary vacancies pursuant to subsection 205.3 wherever possible.

(b)Temporary additional employees shall attain regular status upon the completion of 1,040 hours in any 365 day period. However, temporary additional employees shall not be eligible for sick pay, holiday pay, vacation pay, insurance coverage, pension coverage or items of similar nature, except as specifically provided herein.

(c)The utilization of any temporary additional employee shall be considered as "contracting out of work" for the purposes of Letter Agreement 88-104, but such employees will not be considered as working in the affected department for the purposes of Letter Agreement 88-104.

(d)Company shall utilize temporary additional employees in place of any agency employees.

Explanation: Adds language to contract to allow company to hire temporary additional employees only after temporary vacancies have been filled and these employees will be considered as "contracting out" for purpose of L.A. 88-104.

TITLE 108. SUPPLEMENTAL BENEFITS FOR INDUSTRIAL INJURY

108.1 BENEFIT DESCRIBED

(a) When an employee is absent by reason of injury arising out of and in the course of the employment with Company which comes within the application of the Worker's Compensation and Insurance Chapters of the State Labor Code, he shall be eligible for supplemental benefits for the duration of temporary disability. Such benefits shall commence with the first workday of absence immediately following the day of the injury. The amount of the supplemental benefit payable for each of the first 182 days of absence shall be 85 percent of an employee's basic weekly wage rate divided by five, less the sum of any payments to which he may be entitled under the Workers' Compensation and Insurance Chapters of the State Labor Code and benefits from the Voluntary Wage Benefit Plan which provides benefits in lieu of unemployment compensation disability benefits provided for in the California Unemployment Insurance Code. On the 183rd day of absence and thereafter, the supplemental benefit described above shall be computed at 75 2/3 percent of the employee's basic weekly wage rate divided by five, less the offsets described above, (Amended 1-1-~~83~~91) to apply to absences due to injuries occurring on or after 1-1-~~83~~91).

(b) Any supplemental benefits paid during the first week of disability shall be considered as a credit against disability compensation which may be retroactively due under the provisions of the Worker's Compensation and Insurance Chapters of the State Labor Code. Supplemental benefits paid for the first aggregate 182 days of absence shall be considered as a credit which may be applied to any permanent disability settlement. (Amended 1-1-91)

Explanation: Changes supplemental benefits, after six months, from 75% to 66-2/3% and no pay back when permanent disability settlement is received. Applies to employees injured after 1/1/91 only.

TITLE 110. SHIFT PREMIUM PAY

110.2 AMOUNT OF PREMIUM

(a) No shift premium shall be paid for the first shift. An hourly premium of 4 1/2 percent of the weighted average straight-time rate of all employees represented by Union (rounded to the nearest full cent per hour) shall be paid for work performed in the second shift, and an hourly premium of 9 percent of the weighted average straight-time rate of all employees represented by Union (rounded to the nearest full cent per hour) shall be paid for work performed in the third shift. The shift premium, if any, which is payable for an employee's regularly scheduled hours of work shall be paid for any time worked by such employee immediately preceding or

following such employee's regular hours of work and as an extension thereof. If an employee is scheduled to work during a shift other than such employee's regularly scheduled shift, and such work does not immediately precede or follow such employee's regularly scheduled shift, the employee shall be paid the shift premium, if any, which is applicable to the shift in progress as of the time the employee starts such work. An employee will be paid the shift premium, if any, in effect for such employee's regular work hours for work performed on a regular workday where all work performed is contiguous with regular work hours. An employee will be paid the shift premium, if any, in effect for the shift in progress at the time such employee reports for work (exclusive of travel time) when work is performed on a regular workday where such work is not contiguous with regular work hours. An employee will be paid the shift premium, if any, in effect for time worked on such employee's non-workday based on the shift in progress at the time the employee starts work (exclusive of travel time). (Amended 1-1-91)

(b) The weighted average straight-time rate referred to in Subsection (a) hereof shall be calculated annually by adding any general wage increase effective on January 1 to the computed weighted average straight-time rate as of the December 31 immediately prior, except as provided for in (c) below. The effective date of any change in shift premium shall be January 1. (Amended 1-1-91)

(c) When all employees represented by Union are not granted equal increases, or where the effective date is not the same, the calculation shall be computed by adding the appropriate general wage increase to the appropriate group's weekly payroll of the month immediately prior to the effective date of the general wage increase and adding the totals of the groups together to ascertain the total weekly payroll of the groups of employees represented by the Union. The sum of those amounts should be divided by the total number of employees represented by the Union and divided by 40. (Added 1-1-91)

Explanation: Change in contract language to include Letter of Agreement 88-1 and PRC 1252 decision language. Changes title name to "Premium Pay".

110.8

RELIEF PREMIUM

Employees in relief classifications shall receive a premium equal to the appropriate rate of the designated classification plus \$5.00 per week plus 8 times the hourly Sunday premium. (Added 1-1-91)

Explanation: Changes title name to "Premium Pay" and adds relief premium subsection to contract. No change in formula.

110.9

FIRE BRIGADE - STEAM AND NUCLEAR GENERATION

(a) Employees who are assigned to perform fire protection and/or hazardous material emergency response duties at any work location, including training, instructing, and qualifying, and response to fire and hazardous waste spill emergencies, shall receive the following premium pay, compensated to the one-quarter hour, in addition to any other pay:

(1)one time the straight hourly rate of pay for time spent in actual fire response.

(2)one-half time the straight hourly rate of pay for time spent in hazardous material response.

(3)one-half time the straight hourly rate of pay for time spent in training, instructing, and qualifying.

(b) In the event there are more volunteers than needed, the individuals with the most seniority in the affected classifications shall be offered such assignments.

(c) In the event there are not a sufficient number of volunteers, the individuals with the least amount of seniority in the affected classifications shall be assigned such duty contingent upon meeting the applicable qualifications.

(Added 1-1-91)

Explanation: Adds subsection to contract for Fire Brigade Premium to provide pay for fire and hazardous material response, also for training, instructing and qualifying in these areas. Also sets Fire Brigade up as semi-voluntary instead of mandatory. This premium pay is paid in addition to any pay an employee may be receiving at the time.

TITLE 111. VACATIONS

111.2 VACATION ALLOWANCE

(a) Language unchanged.

(b) In the subsequent calendar years and in each year thereafter, up to and including the fifth calendar year following his employment date, a regular employee shall be entitled to a vacation of ten workdays with pay. (Added 1-1-84) a regular employee shall be entitled to vacation with pay in accordance with the following table:

Subsequent Calendar
Years Following

Date of Employment

2 - 5

6 - 15

16 - 21

22 - 29

30 and greater

Workdays With Pay

10

15

20

25

30

(Amended 1-1-91)

(c) In the sixth calendar year and in each year thereafter, up to and including the 15th calendar year following his employment date, a regular employee shall be entitled to a vacation of 15 workdays with pay. (Added 1-1-84) Deleted 1-1-91

(d) In the 16th calendar year and in each year thereafter, up to and including the 21st calendar year following his employment date, a regular employee shall be entitled to a vacation of 20 workdays with pay. (Added 1-1-84) Deleted 1-1-91

(e) In the 22nd calendar year and in each year thereafter, up to and including the 29th calendar year following his employment date, a regular employee shall be entitled to a vacation of 25 workdays with pay. (Added 1-1-84) Deleted 1-1-91

(f) In the 30th calendar year and in each year thereafter following his employment date, a regular employee shall be entitled to a vacation of 30 workdays with pay. (Added 1-1-84) Deleted 1-1-91

Explanation: Changes format of vacation entitlement, now appears in table form. No changes in years or amount.

111.4 PART-TIME AND INTERMITTENT REGULAR EMPLOYEES

A regular part-time or intermittent employee shall earn an annual vacation allowance as determined in the foregoing Section 111.2, but such allowance will be based on the ratio of the total straight-time hours worked by him in a year to 2,080 hours. (Amended 1-1-91)

Explanation: This section is rewritten to include intermittent employees in the calculation of prorated vacations.

111.5 FORFEITURE OF VACATION

(a) An employee who is absent for 22 consecutive workdays or more in any calendar year by reason of leave of absence or layoff without pay for any reason, or for ~~66~~ **consecutive** 110 workdays or more in any calendar year by reason of industrial disability, shall in the following calendar year forfeit for each 22 workdays of such absence 1/12th of the number of days of vacation to which he is entitled, to be computed to the nearest full day. An employee may, at his option, take the full vacation to which he would be otherwise entitled in which event he shall receive no vacation pay for the number of days of vacation he has forfeited as herein determined. (Amended 1-1-91)

(b) If any absence is for less than 22 consecutive workdays in duration because of leave of absence, or layoff without pay for any reason, or is for less than ~~110~~ **66 consecutive** workdays in duration because of industrial disability, an employee shall be entitled to a full vacation as provided for in Section 111.2. (Amended 1-1-91)

(c) Language unchanged.

(d) Language unchanged.

Explanation: Extends time limit for earning vacation for employees off work due to industrial disability, from 66 consecutive work days to 110 workdays in a calendar year.

111.13 SCHEDULING

(a) Language unchanged.

(b) Division Employees Only

(1) Language unchanged.

(2) Language unchanged.

(3) If an employee elects to divide his/her annual vacation into two or more periods on a sign-up schedule and it is possible for Company to give effect thereto, such employee shall be given preferential consideration over other employees in his/her selection of only one of such periods until all other employees within the group have indicated their first choice of a vacation period. Where more than one employee in a headquarters or group desires to divide his/her vacation into two or more periods on a sign-up schedule, there shall be subsequent, ~~singsign~~ sign-ups as required for selection of open periods not filled by the previous sign-up. Sign-ups for additional periods shall be conducted in the same manner with the employee with the most Service having his/her choice of vacation periods not yet selected. In no event shall an employee be allowed more than five vacation periods of less than one week during any calendar year, exclusive of situations where an employee elects to use such vacation time in combination with other authorized time off entitlement. (Amended 1-1-~~88~~91)

(4) Language unchanged.

(c) General Construction Employees

Language unchanged.

111.16 VOLUNTARY VACATION TRANSFER

By local agreement between Company and Union, employees may voluntarily sell vacation and transfer the proceeds to an employee experiencing a medical emergency, (including a medical condition of a family member), who has insufficient leave available to cover their absence from work. (Added 1-1-91)

Explanation: Allows employees to donate vacation to an employee experiencing medical emergency. This will be done at a local level by selling vacation and transferring proceeds to that person or for that person to be off work for a family member's medical emergency.

TITLE 112. SICK LEAVE**112.1 QUALIFICATION AND RATE OF COMPENSATION**

After completing one year of Service and for each year of Service thereafter, a regular employee shall be allowed sick leave with pay for a total of 80 hours per calendar year; ~~and~~ A regular part-time employee or intermittent employee shall be allowed sick leave with pay for such portion of 80 hours per calendar year as the average number of hours he regularly works in a week bears to 40 ratio of straight-time hours worked in a year to 2,080 hours. (Amended 1-1-91)

Explanation: This section is rewritten to include intermittent employees in the calculation of prorated sick leave.

TITLE 201. EXPENSES**201.6 PERSONAL VEHICLE**

An employee who is authorized by Company to use his personal vehicle in connection with his duties shall be entitled to a vehicle mileage allowance at the mileage rates negotiated by Company and Union from time to time the maximum non-taxable vehicle mileage allowance allowed by the I.R.S., except that an employee covered under Standard Practice 724.5-1 (DMA) will receive reimbursement as provided therein. However, the application of the DMA shall not be reduced without agreement with Union. (Amended 1-1-~~80~~91)

Explanation: Allows the employee to be entitled to the maximum non-taxable vehicle mileage allowance set by the IRS, rather than having to wait for this amount to be negotiated. Any time the IRS changes this amount the mileage allowance will automatically reflect this change.

TITLE 204. WAGES AND CLASSIFICATIONS**204.1 PAYDAY**

(a) Wages shall be paid at biweekly intervals on Fridays for a two weeks' payroll period ending not less than four nor more than ten days prior to the pay date, provided that if the regular pay date falls on a holiday payment shall be made on the preceding workday.

(b) Company shall make direct deposit of regular pay available to all employees. (Added 1-1-91)

Explanation: Company shall make direct deposit available at the employee's option. Overtime worked on the weekend preceeding a Monday holiday may not be included on that payday's direct deposit, but will be on the following payday.

204.4 NEW CLASSIFICATIONS AND WAGE RATES

(a) Language unchanged.

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(b) Upon the written request of one party to the other, the parties agree to open discussions during the term of the Agreement to discuss additional classifications, wages therefor, and normal lines of progression. Upon agreement thereon by Company and Union, such changes may be implemented. Upon agreement thereon by Company and Union, additional regular classifications, wages therefor, and normal lines of progression may be established, and the wages, duties and line of progression of any classification may be adjusted. (Entire Section Amended 1-1-83) (Amended 1-1-91)

Explanation: Provides for written request by either party, union or company, to open discussions during term of agreement.

204.6 WAGE RATE - ASSIGNED LOWER CLASSIFICATION

(c) When Company appoints an employee from a classification covered under the Clerical Labor Agreement to a beginner's classification covered under the Agreement, such employee shall be given a wage rate commensurate with the provisions of Subsections (a) or (b) above, whichever is applicable paid at the first step of the wage progression of the new classification which is higher than the employee's present wage rate. (Amended 1-1-91)

Explanation: Provides for a simplified and consistent application of this section when employee is appointed a beginner's classification in the Physical Agreement from a Clerical classification.

TITLE 205. JOB BIDDING, PROMOTION AND TRANSFER

205.3 FILLING TEMPORARY VACANCIES

(a) Language unchanged.
(b) If the vacancy cannot be filled as outlined in (a) above, and the Company still desires to fill the temporary vacancy, the senior qualified prebidder residing within a commutable distance (30 miles or 45 minutes road time) from the headquarters shall be offered the vacancy. (Added 1-1-88) and if there is no next lower classification in the headquarters, and the temporary vacancy is for more than one week, and the Company still desires to fill the temporary vacancy, the senior qualified prebidder within the Bidding Unit residing within a commutable distance (30 miles or 45 minutes road time) from the temporary headquarters shall be offered the vacancy. (Amended 1-1-91)

(c) Language unchanged.

Explanation: Adds "if there is no next lower classification", "the temporary vacancy is for more than one week", and "within the bidding unit".

205.4 PREBID PROCEDURE

Any regular employee of Company may submit a prebid on any existing job classification and headquarters for which the employee desires consideration in accordance with the following procedures: (Amended 1-1-88)

- (a) Language unchanged.
- (b) Language unchanged.
- (c) Language unchanged.
- (d) Language unchanged.
- (e) Language unchanged.
- (f) Language unchanged.
- (g) Language unchanged.
- (h) Language unchanged.
- (i) Language unchanged.
- (j) Prebid Directory: The Company shall identify all prebidable classifications covered under the Physical and Clerical Agreements. Such identification shall include the location, function and prebid number. (Added 1-1-91)

205.5 FILLING BEGINNER'S CLASSIFICATION

- (a) Language unchanged.
- (b) Language unchanged.
- (c) Company shall make unrestricted appointments in filling one-half of the vacancies in beginner's classifications. An employee who is the senior, qualified transferee to more than one vacancy, which is currently being filled, shall be given the option of accepting the classification and headquarters desired. (Amended 1-1-88) (1)
- (d) In making appointments . . . who have previously requested in writing a transfer to fill such vacancies. An employee who is the senior, qualified transferee to more than one vacancy, which is currently being filled, shall be given the option of accepting the classification

and headquarters desired. Preference for appointment shall be given to the employee in each classification who has the greatest Service in the following sequence:

(1) To such physical and clerical employees in the Division Bidding Unit where the vacancy exists. (Priority 2 status transfer)

(2) Language unchanged.

The provisions of this Subsection shall be applicable to a beginner's classification in a line of progression at a headquarters where a transfer application for such vacancy is on file and the number of unrestricted appointments under provisions of Subsection 205.5(c) exceeds transfers.

All transfer requests must be submitted by United States or Company mail on a form provided by Company. The date of receipt shall be the postmark date if delivered by U.S. Mail, or Industrial Relations date stamp if delivered by Company mail or if the U.S. postmark is illegible. In no events shall the Company consider any transfer application which was received by Company less than eight calendar days prior to the established control date. The control date is first established on the date the fully authorized personnel requisition is received and date stamped by the local Human Resources Personnel Department to fill a job vacancy in the classification and headquarters on which the transfer application was made. If the transfer listing is exhausted without a successful candidate, a new control date will be established. This new control date will be the date of the decline or bypass of the last transfer applicant. Transfers which were not timely under the original control date but were received eight days prior to the new control date will then be given consideration. If the vacancy cannot then be filled by transfer, it may be filled by unrestricted appointment - no transfers on file. (Amended 1-1-91)

(e) Company shall acknowledge receipt of all transfer applications within 15 calendar days from date of receipt and, without rejecting such applications, notify in writing an employee who submits a transfer application of any known reason which might preclude the employee from filling the classification on which the employee has submitted a transfer application, including information regarding testing programs which must be completed. Information on whether or not an employee has completed such programs is available from the employee's Human Resources Personnel Department. (Amended 1-1-88) (1)

(f) Within ten calendar days after the first of each month, Company shall, within each Bidding Unit Division or Department provide Union information on beginning job vacancies that have been filled the previous month as follows:

- (1) - (6) Language unchanged.
- (g) Language unchanged.
- (h) Language unchanged.

(1) Language unchanged.

(2) Upon the employee's declining an appointment to the classification and headquarters on which the transfer was submitted and after 15 calendar days advance notice from Company. (Amended 1-1-91)

(3) - (6) Language unchanged

Explanation: Moves language from (c) to (d) where it actually belongs. Replaces "Division" with "Bidding Unit". Deletes 15 day advance notice which is language clean-up. No change in application.

205.6 POSTBIDDING PROCEDURE (Deleted 1-1-88) 205.6 FORFEITURE

If an employee is the senior qualified bidder for a job vacancy and turns down a bona fide offer for such vacancy, such employee's prebid or transfer application on such vacancy shall be cancelled. Such employee's prebid or transfer application to such classification and headquarters need not be considered for a period of six months. Exceptions to the aforementioned will be as follows:

- (a) Language unchanged.
- (b) An employee who after declining a bona fide offer to a vacancy at a given headquarters attains with preferential bidding rights under Title 206 shall not be subject to the provisions of this Section. (Amended 1-1-88) (1)
- (c) Employees bidding to System Operator classifications. (Added 1-1-91)

Explanation: Eliminates six month period restriction when affected by Title 206 (Demotion and Layoff Procedure) after an employee has declined a bona fide offer. Provides more options for employees affected by Title 206. Adds (c) to include system operator classifications to be excluded from provisions of this section, due to possible re-rate and bidding procedure.

205.10 TIME LIMITS ON BIDDING

Notwithstanding anything contained in this Title, Company shall not give consideration to any application for transfer, or prebid or postbid submitted by an employee who has changed line of

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progression within the preceding 12 calendar months or who has entered a training classification within the preceding 12 calendar months, if the consideration of such application for transfer, or prebid or postbid would result in such employee returning to his or her last previous line of progression. Training classification is defined as a classification for which there exists a negotiated training program. (Amended 1-1-91)

Explanation: Deletes reference to "post bid", no change in application, language clean-up.

205.11 BYPASS FOR LACK OF QUALIFICATIONS

(a) Language unchanged.

(b) Company may give tests to assist in determining an employee's qualifications. By written agreement, Company and Union may adopt testing programs for determining employee's qualifications for promotion. An employee's failure to pass such tests in accordance with a Company and Union-approved program shall result in rejection of his bid without further consideration. The employee shall have the right to review the examination and the correct answers unless there are no alternate versions of the examination, in which event the employee can review the examination without the correct answers. Any review shall be conducted with a management employee. (Amended 1-1-84)(91)

Explanation: Allows an employee to review the examination to find weak areas and where mistakes were made.

TITLE 206. DEMOTION AND LAYOFF PROCEDURE

206.1 GENERAL RULES (REGULAR EMPLOYEES)

The provisions of Title 206 which are applicable to employees in cases of displacement, demotion or layoff due to lack of work or the return of an employee from leave of absence for Union business or military services shall be applied in such manner as to give effect to the following:

- (a) Language unchanged.
- (b) Language unchanged.
- (c) Language unchanged.
- (d) Language unchanged.
- (e) Language unchanged.
- (f) Language unchanged.
- (g) Language unchanged.

(h) No regular full-time employee will be displaced, demoted, or laid off due to the usage of part-time employees. Further, at a headquarters where Title 206 is to be implemented, all part-time employees shall be affected prior to regular full-time employees. (Added 1-1-91)

Explanation: Provides for added job security for regular full-time employees.

206.2 NOTICES

The following notices shall be given in connection with the demotion and layoff provisions of this Title:

(Replace current Subsections a, b, and c with the following)

(a) Company will give an employee who is to be demoted as much notice thereof as possible. At the time of notification the employee will be advised of the classification to which the employee is to be demoted and provided with a list of the jobs and locations thereof to which any elections (vacancy or displacement of another employee) may be applied. (Amended 1-1-91)

(b) Within twelve workdays after receipt of the list described in Subsection (a), the employee should notify Company of his/her election to transfer and indicate the job locations in the order of his/her preference. Preferential consideration shall be given to employees in the order of their Service, while Company shall endeavor to give effect to an employee's preference in the order he/she has indicated. Length of Service shall be the determining factor where two or more employees express a preference for a single location. Company shall notify an employee as to the specific location to which such employee will be transferred. (Amended 1-1-91)

(d)(c) Language unchanged.

(e)(d) Language unchanged.

(e) By agreement between Company and Union, the notice periods in this section may be extended. (Added 1-1-91)

Explanation: Combines old language (b) and (e) which will now be (b). Time limit or application unchanged, provides for notice periods to be extended when company and union agree.

206.8 MOVING ALLOWANCE

When an employee is displaced under the provisions of this Title because of lack of work at his/her headquarters, and his the employee's new headquarters is beyond commutable distance from his/her residence, Company shall reimburse him the employee for the reasonable costs incurred in connection with moving his/her household in a sum not to exceed \$1600 \$2,000. (Amended 1-1-84)(91)

(a) Language unchanged.

Explanation: Increases moving allowance \$400.00 from \$1600.00 to \$2000.00. Also makes this section gender neutral.

206.10 DEMOTION INTO UNIT FROM OUTSIDE

(a) Language unchanged.

(b) Language unchanged.

(c) Company shall not demote into the collective bargaining unit a supervisor or other employee who was hired or left the bargaining unit on 1-1-91 or thereafter. (Added 1-1-91)

Explanation: Provides for more job security for bargaining unit employees.

206.16 DEMOTION OF NON-UNIT EMPLOYEE INTO UNIT

(a) A supervisory of other employee who was not at the time of demotion a member of the collective bargaining unit but who formally worked in a classification which is in such unit may be demoted for any reason other than for lack of work into a previously existing vacancy in such unit within the Division in which he is employed or into a vacancy which has been created in any Division by the concurrent transfer or promotion of an employee out of such unit in connection with such demotion.

(b) In no case shall such demoted employee be placed into a classification that is higher than the classification held prior to leaving the bargaining unit subject to Subsection 206.1(f). (Amended 1-1-84)

(c) Company shall not demote into the collective bargaining unit a supervisor or other employee who was hired or left the bargaining unit on 1-1-91 or thereafter. (Added 1-1-91)

Explanation: Adds job security for bargaining unit employees.

TITLE 208. OVERTIME

208.16 EQUAL DISTRIBUTION - PREARRANGED OVERTIME

(a) Prearranged overtime work shall be distributed among employees in the same classification and in the same location as equally as is practicable. The Company will post accumulative prearranged overtime worked or credited as worked for each person each month. The method for practicable equalization of prearranged overtime should be developed at each location by agreement between Company and Union. Such procedure should be in writing and signed by both parties. Whether procedures are developed or not, it is incumbent on Company to comply with the provisions of this Subsection concerning equal distribution. Where an imbalance cannot be justified, paying the aggrieved employee(s) is an appropriate remedy after the end of the accounting period, although this does not preclude other local agreements. (Amended 1-1-84)(91)

(b) Language unchanged.

Explanation: Provides for local agreements to be established where a problem exists in the application of this section.

208.23 THREE WEEK LIMIT

Except where a hazard to life or property exists, employee will not be required to work more than three consecutive weeks without having two consecutive days off. In the application of this Section, if a regularly established shift (as defined in Clarifications Sections 208.23, 308.15 and 202.17) begins on one workday and ends on the next, it will count as one day toward the three-week limit. (Amended 1-1-91)

Explanation: For example, an employee that is scheduled to work a regular established shift of Saturday 4:30 p.m. to Sunday 1:00 a.m., the one hour past midnight does not count as working overtime on Sunday.

TITLE 301. EXPENSES - FIELD EMPLOYEES

301.4 EXPENSE ALLOWANCES

Road Miles from the City Hall
or Principal Intersection*

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Zone	of Employee's Residence to the Reporting Location	Amount of Per Diem
1	More than 25 but 35 or less	\$5.50
2	More than 35 but 45 or less	9.25
3	More than 45 but 55 or less	12.50
4	More than 55 but 65 or less	17.25
5	More than 65 but 75 or less	22.25
6	More than 75	38.00 42.00

*The principles set forth in Subsection 301.3(b) also dictate whether the city hall or principal intersection is to be used for this purpose. (Note: the per diem amounts listed above will be in effect from January 1, 1988 through December 31, 1989, unless renegotiated between July 1, 1989 and September 1, 1989, provided that the term of the agreement exceeds December 31, 1989) (Amended 1-1-8891)

Explanation: Provides for an increase in Zone 6 per diem of \$4.00 from \$38.00 to \$42.00.

301.7 MOVING EXPENSES

If an employee is moved from one camp to another on a single **station or hydro** project, Company shall reimburse him/her for traveling expense and for other expenses incurred therein in transporting his/her household goods. (Amended 1-1-91)

Explanation: Deletes the reference to "station" or "hydro". Expands meaning of "single project".

301.8 PROJECTS

An employee who is hired for a single project and who is required to move from one job location to another on the same project shall not be deemed to qualify for expense allowances provided for in Section 301.4 unless he attained regular status prior to such transfer and the distance between the employee's hiring location on the project and any of his future job locations on such project exceeds 75 road miles, or unless he has had a prior transfer between Company jobs or projects in his present period of continuous service with Company.*

Provisions will be negotiated on an individual project basis, as needed, with the Union. (Amended 1-1-91)

Explanation: Deletes current fixed application of per diem for Project employees; provides Company and Union will negotiate per diem provisions for future projects on a case-by-case basis.

301.9 SPECIAL ASSIGNMENT - FIELD EMPLOYEES

Language unchanged.

Explanation: Amends section title to indicate section applies to special assignment for field employees. No change in application.

301.11 TRAVEL ALLOWANCE

(a) Language unchanged.

(b) Language unchanged.

(c) When transportation facilities therefor are not furnished by Company or other mode of transportation is not authorized in advance, reimbursement of transportation expense at 21 26 cents per mile shall be made. (Amended 1-1-8891)

(d) The foregoing provisions of this Section do not apply if the employee is transferred from one headquarters or point of assembly to another headquarters or point of assembly and each of the following provisions apply:

(1) both locations are 25 road miles or less from each other; and

(2) both locations are within 60 road miles of the employee's residence area; and

(3) the employee normally commutes from home to both locations. (Amended 1-1-91)

(e) Company shall make a good faith effort to notify an employee at least 24 hours in advance of a change in headquarters or point of assembly. (Added 1-1-91)

Explanation: Changes transportation reimbursement from .21 to .26 per mile, conforming with current maximum non-taxable allowance set by IRS.

301.14 SPECIAL ASSIGNMENT - SERVICE CENTER EMPLOYEES

Language unchanged.

Explanation: Amends section title to indicate section applies to special assignment for service center employees. No change in application.

301.19 CLERICAL AND ROUTINE CLERICAL ASSISTANT

(a) *By written agreement with Union*, Company may assign Clerical Assistants to work at a project or *Also by written agreement, Routine Clerical Assistants may be assigned* to work at permanently established field office. A permanently established field office is defined as the office of a General Foreman or Superintendent. Such permanently established field office must maintain a minimum clerical staff of one Senior Field Clerk and one First Field Clerk and/or Routine Field Clerk at all time while the Clerical Assistant classification is assigned to such field office. No more than one Clerical Assistant may be assigned to a single field office.

(b) Employees holding *these* this classifications are not eligible for per diem or expenses and are not subject to transfer unless written agreement with Union is obtained. However, Clerical Assistants may submit transfer applications to Routine Field Clerk pursuant to Section 305.5. Consideration will be on a system-wide Promotion-Demotion Area, consistent with Exhibit II of the Agreement. An employee classified as a Clerical Assistant who files a transfer application will at the same time file a Residence Certificate as provided in Section 301.3. If such employee is subsequently the successful bidder to Routine Field Clerk, per diem or expenses due the employee will be based on such Residence Certificate.

(c) Employee holding *these* this classifications may be sent on special assignment for up to five days for training and shall be compensated pursuant to the pay provisions of Subsection 301.9(a) or (b). (Entire Section Added 1-1-88 Amended 1-1-91)

Explanation: Provides for limited use of Clerical Assistant classification in permanently established field offices as defined, where minimum field clerical staff exists. Also provides rights for Clerical Assistant to transfer to Routine Field Clerk and sets out per diem considerations.

TITLE 305. JOB BIDDING AND PROMOTION

305.5 PROMOTION (TWO ONE OR MORE YEARS SERVICE)

Employees who have *two one* years or more of continuous service with Company (as defined in Section 106.1) shall be given preferential consideration as follows for promotions occurring in the department of General Construction in which they are employed: (Amended 1-1-91)

(a) Language unchanged.

(b) *Employees, other than those with preferential rights under Section 306.9, who have turned down a temporary upgrade opportunity that was known in advance to last for five or more workdays (10 or more workdays for positions which require the employee to exercise supervisory duties) shall not be entitled to consideration for promotion for a period of 90 calendar days thereafter. An employee who declines a temporary upgrade shall sign and date a temporary upgrade form indicating he/she is not interested in the upgrade and further indicating awareness that he/she will not be considered for promotion for a 90 calendar day period. (Added 1-1-91)*

(c) A permanent upgrade form shall be used so that employees can indicate interest in and qualification for permanent upgrade to classifications higher in the normal line of progression. Such forms shall be signed and dated by the employee and the employee's supervisor, following which a copy of the completed form shall be returned to the employee. Such form shall remain in effect until either the employee is promoted to a higher classification or for one year from the date signed by the employee. An employee may revise and resubmit a permanent upgrade form at any time. (Added 1-1-91)

(b)(d) *Notwithstanding anything therein contained to the contrary, Company may make appointments to jobs requiring the employee to exercise supervisory duties on the basis of ability and personal qualifications. (Added 1-1-91)*

(c)(e) *At least once each month Company shall submit to Union a list of promotions in each geographic promotion-demotion area in General Construction. Such list shall include the name of the employee promoted, the location and title of the original vacancy, and the employment date of the promoted employee. Such list shall also include the name, employment, date, and classification of each employee in the area and normal line of progression where the promotion was made who has an employment date earlier than the employment date of the promoted employee. (Added 1-1-91)*

Explanation: Reduces required service from two years to one year for consideration for promotion. Provides for bypass of employee on permanent promotion if such employee has refused temporary upgrade of five or more days (10 or more days for supervisory jobs) during preceding 90 calendar days; provides that such bypass must sign a form indicating awareness; provides employee the right to revise permanent upgrade form at any time and that form expires after a period of one year.

TITLE 500. TERM

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

500.1 TERM

This Agreement, having taken effect as of September 1, 1952, and having thereafter been amended from time to time shall continue in effect as further amended herein for the term of January 1, 1989 through December 31, 1993, and shall continue thereafter from year to year unless written notice of termination shall be given by either party to the other 60 days prior to the end of the then current term. (Amended 1-1-89)

500.3 GENERAL WAGE INCREASES

(a) Effective January 1, 1989, the basic wage rates established for January 1, 1987 in Exhibit X of this Agreement shall be increased by two and three-quarters percent. (Amended 1-1-89)

(b) Effective January 1, 1992, the wage rates established for January 1, 1989 in Exhibit X of this Agreement shall be increased by one and three-quarters percent. (Amended 1-1-89)

(c) On or before November 1, 1989, either party to this Contract may reopen the Agreement for negotiation of the sole subject of wages to be effective on or after January 1, 1990. Effective January 1, 1993, the wage rates established for January 1, 1992 in Exhibit X of this Agreement shall be increased by four and one-half percent. (Amended 1-1-89)

(d) (Deleted 1-1-88)

Explanation: Changes contract language to reflect negotiated general wage increases of 3.75%, 4.0% and 4.5% for 1/1/91, 1/1/92 and 1/1/93 respectively.

EXHIBIT II GENERAL CONSTRUCTION PROMOTION-DEMOTION GEOGRAPHIC AREAS FOR USE WITH TITLES 305 AND 306

HYDRO CONSTRUCTION

- 1) Humboldt and North Bay Divisions
- 2) Drum and Sacramento
- 3) Shasta, De Sabla and Colgate
- 4) San Francisco
- 5) East Bay
- 6) Stockton
- 7) San Jose
- 8) Coast Valleys
- 9) San Joaquin

CLERICAL SERVICES (All Departments) (including Camp and Kitchen Employees)

No change

GAS CONSTRUCTION

No change

LINE CONSTRUCTION

No change

FLEET SERVICES MANAGEMENT

No change

STATION, SUBSTATION, AND HYDRO CONSTRUCTION

- 1) North Bay and Humboldt Divisions
- 2) Shasta, De Sabla, Colgate, Drum and Sacramento
- 3) East Bay
- 4) San Francisco
- 5) Coast Valleys and San Jose
- 6) San Joaquin and Stockton
- 7) Technical classifications, promotion-demotion area systemwide (Amended 1-1-91)

Exhibit II - Promotion-Demotion Geographic Areas provide the same geographic boundaries as the original 13 Divisions and Departments in existence prior to 1987.

EXHIBIT III CLASSIFICATIONS OF SHIFT EMPLOYEES

ELECTRIC DEPARTMENT

System Operator
Division Operator

Assistant Operator
Operator-in-Training

GAS DEPARTMENT

Compressor Engineer
Watch Engineer

Shift Helper
Pressure Operator

PIPE LINE OPERATIONS DEPARTMENT

Assistant Plant Compressor Operator
Compressor Operator
Compressor Plant Operator
Operator-Mechanic

(Amended 1-1-91)

Gas Supply Coordinator
Senior Plant Compressor Operator
Station Operator
Sr. Gas Transmission Operator
Gas Transmission Operator

BUILDING DEPARTMENT

Building Engineer

NUCLEAR POWER GENERATION DEPARTMENT

Assistant Control Operator
Auxiliary Operator
Control Operator
Chemical and Radiation Protection Technician

Senior Control Operator
Control Room Assistant
Shift Control Technician

STEAM GENERATION DEPARTMENT

Assistant Control Operator
Assistant Power Plant Operator
Auxiliary Operator
Control Operator

Power Plant Operator
Senior Power Plant Operator
Senior Control Operator
Steam Heat Engineer
Watch Engineer

EXHIBIT VII

BEGINNER'S CLASSIFICATION

[Amend ROUTINE PLANT CLERK as follows:]

ROUTINE PLANT CLERK

09240294 Steam Generation - Clerical
09240294 Nuclear Power Generation - Clerical**

JOB DEFINITION AND LINE OF PROGRESSION DIVISION GAS AND ELECTRIC DEPARTMENT

EXHIBITS VI AND VI-L AND SECTIONS 600.1 AND 600.12

COMBINATION CREWS

xxxx UNDERGROUND CONSTRUCTION CREW FOREMAN (Electric)
xxxx UNDERGROUND CONSTRUCTION CREW FOREMAN (Gas)

An employee who is a working foreman in charge of a crew engaged in the installation, repair, and replacement of underground electric and gas facilities. Shall have the personal qualifications of leadership and supervisory ability and the craft qualifications of a combination journeyman. Must be familiar with G.O. 112 and 128, company construction and safety standards, accounting procedures and other appropriate rules and procedures. Shall be required to perform all duties of classifications previously held.

Next Lower Classifications

xxxx UG Const. Journeyman (Elec.)
xxxx UG Const. Journeyman (Gas)
0560 (0563) Fitter and (Un.)
0140 Cableman
0562 Fitter-Arc
0640 Gas Crew Foreman (Welding)
0650 Subforeman A (GC-Line)
0653 Subforeman B (GC-Line)
0740 Electric Crew Foreman
0820 Cable Crew Foreman
0850 Working Foreman A (GC-Line)
0853 Working Foreman B (GC-Line)
1110 (1103) Lineman and (Un.)
1300 Gas Mechanic
2280 (2286) Cable Splicer and (Un.)
2290 Transmission Cableman
2535 Transmission Troubleshooter
2540 Troubleshooter

Same or Higher Classifications

xxxx Underground Const. Crew Foreman (Elec.)
xxxx Underground Const. Crew Foreman (Gas)
0683 Night Cable Crew Foreman

1990 Weekly Wage Rates:

xxxx Underground Construction Crew Foreman (Electric) Start 831.35
End 1 Yr. 851.70

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

xxxx Underground Construction Crew Foreman (Gas) Start 811.10
End 1 Yr. 851.70

In addition to the listed weekly wage rates, such employees shall receive an additional \$50.00 per week.

xxxx UNDERGROUND CONSTRUCTION JOURNEYMAN (Electric)
xxxx UNDERGROUND CONSTRUCTION JOURNEYMAN (Gas)

An employee who, as part of a crew, is engaged in the installation, repair, and replacement of underground electric and gas facilities. Prior to being awarded a bid to Underground Construction Journeyman, an employee must have held a journeyman classification in the lineman or fitter line of progression. Shall be required to perform all the duties of either a journeyman lineman or fitter, depending on which line of progression the employee previously held.

Next Lower Classifications	Same or Higher Classifications
0560 (0563) Fitter and (Un.)	xxxx Underground Const. Crew Foreman (Elec.)
0562 Fitter-Arc	xxxx Underground Const. Crew Foreman (Gas)
0640 Gas Crew Foreman	xxxx Underground Const. Journeyman (Electric)
1100 (1103) Lineman and (Un.)	xxxx Underground Const. Journeyman (Gas)
2280 (2286) Cable Splicer and (Un.)	0140 Cableman
2535 Transmission Troublemán	0650 Subforeman A (GC-Line)
2540 Troublemán	0653 Subforeman B (GC Line)
	0683 Night Cable Crew Foreman
	0740 Electric Crew Foreman
	0820 Cable Crew Foreman
	0850 Working Foreman A - GC Line
	0853 Working Foreman B - GC Line
	2290 Transmission Cableman

1990 Weekly Wage Rates:

xxxx	Underground Construction Journeyman (Electric)	Start	794.80
xxxx	Underground Construction Journeyman (Gas)	Start	Present Rate
		End 6 Mos.	794.80

In addition to the listed weekly wage rates, such employees shall receive an additional \$50.00 per week.

Notes on Underground Construction Crews:

1. Each underground construction crew is to be comprised of one journeyman from the gas line of progression and one from the electric line of progression.

2. For the purposes of short-term relief, temporary vacancies shall be filled in accordance with 205.3 and such employees shall receive \$10.00 per day above their regular rate and will be limited to their regular job description.

3. A qualified gas and/or electric worker (as defined by present standards) is to be used when required.

4. When it is necessary to perform switching, holding of clearances and related operations, the provisions of Letter Agreement 87-12 will apply.

5. The parties shall adopt a twelve-month training utilizing company's original twelve-month program as a basis.

6. Electric journeymen shall continue to be eligible for rubber glove training and the associated pay.

7. Letter Agreement 84-157 is rescinded.

8. Underground Construction Crew Foremen and Journeymen shall retain Title 208 and 212 rights for their equivalent classifications in the Electric and Gas T&D Departments and will be credited for all hours worked or charged regardless of the work assignment.

9. An Underground Construction Journeyman may supervise a crew performing the following:

1. Engaged in digging excavations or trenches,
2. Stubbing poles, clearing right-of-way, and clearing debris,
3. Loading, delivering and unloading materials and supplies,
4. Installing and hotting up new underground electric systems (600 volts or less) and plastic gas services.
5. Installing non-lead cables.

10. An Underground Construction Journeyman may work alone to perform the following when

qualified:

1. Switching to de-energize or energize underground distribution circuits,
2. Installation of stub completion services (gas and electric) in customer-dug trench,
3. Splicing and making terminations on non-lead primary and secondary cable to be energized at less than 25 kv.

JOB DEFINITION AND LINE OF PROGRESSION DIVISION ELECTRIC TRANSMISSION AND DISTRIBUTION DEPARTMENT EXHIBIT VI-L AND SECTION 600.12 OF THE AGREEMENT

0250 FOREMAN'S CLERK

An employee whose background and experience are such that he has a comprehensive knowledge of the operation and procedures of a General Foreman's or Assistant Supervisor's office and is engaged in performing clerical work and assisting in the administrative work of such office. This work includes such duties as coordinating various functions to facilitate the completion of jobs, assigning jobs to crews, receiving and dispatching customers' complaints or switching orders, preparing reports, processing time cards, work orders and GM's for the crews or for accounting purposes, and maintaining office files and records. May direct the work of one or two Assistant Foreman's Clerks.

Next Lower Classifications

0252 Assistant Foreman's Clerk
0456 T&D Driver
0458 Field Clerk - Electric T&D
2662 Operating Clerk - Electric Department and Combination
2664 Operating Clerk-Steno - Electric Department and Combination
2667 Operating Clerk-Typist - Electric Department

Same or Higher Classifications

0243 Senior Field Clerk (G.C.)
0246 First Field Clerk (G.C.)
0250 Foreman's Clerk
0253 Foreman's Clerk
0254 Utility Foreman's Clerk
0310 Senior Shop Clerk (G.C.)
0313 First Shop Clerk (G.C.)
1750 Senior Service Operator (Incumbent Only)
2723 Senior Operating Clerk II - Electric Department
2726 Senior Operating Clerk II - Combination
2465 Senior Operating Clerk - Steno II - Electric Dept. and Combination
2646 Senior Operating-Typist II - Electric Department and Combination
2789 Senior Operating Clerk I - Electric Department
2793 Senior Operating Clerk I - Combination
2654 Senior Operating Clerk - Steno I - Electric Dept. and Combination
2655 Senior Operating Clerk - Typist I - Electric Dept. and Combination

Explanation: Adds "0456 T&D Driver" to line of progression.

JOB DEFINITION AND LINE OF PROGRESSION DIVISION ELECTRIC MAINTENANCE DEPARTMENT EXHIBIT VI-L AND SECTION 600.12 OF THE AGREEMENT

xxxx ELECTRICAL TECHNICIAN CREW FOREMAN

An employee who is a Working Foreman in charge of a crew of not more than 5 other employees (which may consist of Electrician, Apprentice Electrician, Apprentice Electrical Technician, Maintenance Helper) engaged in Electrical construction, modification or testing work. The employee shall have the personal qualifications of leadership and supervisory ability, the craft qualifications of an Electrical Technician and be familiar with Company Safety Standards, accounting procedures, and other applicable rules and procedures.

Next Lower Classification	Same or Higher Classification
2400 Electrical Technician	0644 Technical Subforeman A (GC)
2403 Unassigned Electrical Technician	0645 Technical Subforeman B (GC)
2402 Electrical Technician (Helms)	0750 Elec. Maintenance Crew Foreman
	xxxx Electrical Technician Crew Foreman

Add to the following classification's Same or Higher Classification, xxxx Electrical Technician Crew Foreman: 2407 Telecommunications Crew Foreman, 2409 Telecommunications Technician, 2389 Telecommunications Technician (Helms), 2401 Apprentice Electrical Technician, 0467 (0459) Electrician (Helms), 1139 Electrical Machinist (Helms), 1140 Electrical Machinist, 2620 Welder, 2630 Apprentice Welder, 2160 Rigger, 2140 Transformer Repairman, 0624 Labor Foreman, 0463 Heavy Truck Driver, 0417 Truck Driver, 0424 Light Truck Driver, 0442 Heavy Tractor Driver (30 hp or over) and 0437 Light Tractor Driver (less than 30 hp).

1990 WEEKLY WAGE RATE:

Start	\$879.30
End 6 months	\$900.35

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

Explanation: Establishes new classification of electrical technician crew foreman and adds to lines of progression. Sets new wages for this classification.

JOB DEFINITIONS AND LINES OF PROGRESSION DIVISION GAS SERVICE DEPARTMENT EXHIBIT VI-L AND SECTION 600.1 OF THE AGREEMENT

- *1720 Pressure Operator (Fresno, San Francisco, San Rafael, and Stockton)
- *1723 Pressure Operator (Eureka, San Jose and Salinas)
- *1724 Pressure Operator (Marysville, Sacramento, Oakland)

A shift employee whose responsibilities and principle duties include the control of pressure and the maintenance of the gas flow in the transmission and distribution pipelines, using gas holders, compressors regulators, valves, telemetry and remote control devices, within the scope of the Division gas operations. May be required to operate and maintain compressors, to order gas production and to curtail customers as directed by System Gas Control. May be required to perform duties of Service Operators to include such items as call-out and/or dispatching of crews as directed, receiving and dispatching Customer Service calls, and related clerical work.

- 1724 Pressure Operator (Marysville, Sacramento, Oakland)
- 1720 Pressure Operator (Fresno, San Francisco, San Rafael and Stockton)

Next Lower Classification

0503 Compressor Engineer
1470 Orifice Meterman
1483 Field Meterman
1723 Pressure Operator
1755 Service Operator
Mechanic
1835 Terminal Operator
2210 Serviceman
2220 Serviceman - Jackson

Same or Higher Classification

0644 Technical Subforeman A
(G.C. Gas)
0645 Technical Subforeman B
(G.C. Gas)
1365 Measurement & Control
(1366 Unassigned Measurement
& Control Mechanic)
1720 Pressure Operator
1830 Senior Terminal Operator
2405 Gas Technician (G.C.)
2410 Gas Control Technician

- 1723 Pressure Operator (Eureka, San Jose, and Salinas)

Next Lower Classification

1368 Apprentice Measurement & Control
Mechanic (30 Month Step)
1470 Orifice Meterman
1483 Field Meterman
1835 Terminal Operator

Same or Higher Classification

0644 Technical Subforeman A
(G.C. Gas)
0645 Technical Subforeman B
(G.C. Gas)
1245 Corrosion Mechanic
1365 Measurement & Control Mechanic
(1366 Unassigned Measurement & Control
Mechanic)
1720 Pressure Operator
1723 Pressure Operator
1724 Pressure Operator
1755 Service Operator
1830 Senior Terminal Operator
2210 Serviceman
2220 Serviceman - Jackson
2405 Gas Technician (G.C.)
2410 Gas Control Technician

* xxxx Region Gas Control Operator

A shift employee at a Region Gas Control Center who is responsible for controlling pressure and maintaining gas flow in the transmission and distribution pipelines located within the scope of the Region Gas Operations. In accordance with established practices, the employee insures safety, security and continuity of service by monitoring gas supplies, equipment performance and facility operations. Coordinates station routing changes using both manual and electronic control facilities. Reads, calculates, interprets and posts data and updates logs as required. Generates reports using computers and software as required. Coordinates routine line clearances and shutdowns and takes appropriate actions during emergency situations. Orders gas production changes as directed by System Gas Control. Coordinates the curtailment of customers as required. Utilizes all communications equipment to include, but not limited to, radio, telephone and teletype activities. May perform the duties of service operator to including call-out and/or dispatching of crews, receiving and dispatching customer calls and related clerical work. May be assigned to work with maintenance and operations personnel when not required for shift operations, if qualified.

Next Lower Classification

xxxx Gas Operator In Training

Same or Higher Classification

1836 Gas Supply Coordinator
xxxx Region Gas Control Operator

1990 Weekly Wage Rate: \$794.80

*NOTE: It is not the intent to replace the Service Operator classification with a **Pressure Operator** Region Gas Control Operator classification without agreement between the Parties.

Relief Pressure Region Gas Control Operator

A shift employee who stands shifts as assigned, relieves other **Pressure Region Gas Control** Operators or Field Metermen and performs all of the duties of the classification which he/she is relieving. In addition, he/she may be assigned, if qualified, to perform clerical duties in the foreman's office, including the checking of charts and the calculation of volume for all types of gas measurement, **to perform Field Meterman's duties, to perform Meter Shopman's duties and to assist a journeyman in the maintenance of telemetering and control or the fabrication of gas meter and regulator sets**. May be assigned to work with maintenance and operation personnel when not required for shift operations, if qualified.

*xxxx Gas Operator In Training

Six Month Training Position

A shift employee who is engaged in performing a Region Gas Control Operator's work as an assistant to and under the direct supervision of a Region Gas Control Operator during the first twelve (12) weeks of training. The training period will consist of on-the-job training at the headquarters assigned, formalized SCADA and computer training and performance testing. During the first twelve (12) weeks, he/she will be required to demonstrate the capability to progress to the Region Gas Control Operator position. Upon completion of six (6) months training, he/she will advance to Region Gas Control Operator. May be assigned to work with maintenance and operations personnel as part of the training program, if qualified.

Next Lower Classification

1755 Service Operator
1835 Terminal Operator
2210 Serviceman
0503 Compressor Engineer
1470 Orifice Meterman
1483 Field Meterman
1576 Gas Transmission Operator
1368 Appr. Measurement &
Control Mechanic
(30 mo. step)
1245 Corrosion Mechanic

Same or Higher Classification

1365 (1366) Measurement & Control Mechanic
& (Un.)
1836 Gas Supply Coordinator
2405 Gas Technician (G.C.)
2410 Gas Control Technician
1755 Service Operator
0644 Tech. Subforeman A (G.C.)
0645 Tech. Subforeman B (G.C.)
1365 (1366) Measurement & Control
Mechanic & (Un.)
1577 Sr. Gas Trans. Oper.
2415 Gas Technician (G.C.)

*Notes on Gas Operator In Training

1. Must pass A.C.T.
2. Employees not able to complete the 12-week training period will be reinstated to their former classification.

1990 Weekly Wage Rate: \$763.85

The following Job Classifications will delete the classifications 1720 Pressure Operator, 1723 Pressure Operator and 1724 Pressure Operator in their "Next Lower Classification" and "Same or Higher Classification" and will add in its place xxxx Region Gas Control Operator and xxxx Gas Operator In Training:

1368 Apprentice Measurement & Control Mechanic
1483 Field Meterman
1747 Orifice Meterman
0510 Water Engineer
0530 Compressor Engineer

JOB DEFINITIONS AND LINES OF PROGRESSION DIVISION GAS SERVICE DEPARTMENT EXHIBIT VI-L AND SECTION 600.1 OF THE AGREEMENT

2210 SERVICEMAN

An employee who performs domestic and commercial service work such as gas and routine electric meter operations, gas regulator and monitor adjustments, appliance and control adjustments, diagnosing appliance problems and, when within the scope of Company's service policy, making recommendations to the customer for correction, routine service to **absorption - type air conditioning and industrial gas** all types of gas burning equipment, "no-light" calls, installation and alteration of all domestic and commercial gas meter and regulator sets and installation and maintenance of domestic and commercial gas equipment. May squeeze off ("pinch-off") and affix approved dead end fittings to ruptured plastic services which are visible (and which can be accessed safely) to protect life and property; and may affix approved dead end fittings to squeezed-off plastic services or may install approved mechanical repair couplings to restore service immediately to customers where damage is such that no additional pipe is required to complete the repair. Shall maintain a high standard of public relations and personal appearance.

Note:

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

In revising the job description, the Company and the Union agreed that instruction in the application of dead end fittings will be provided, as necessary, by the Company. In all types of work, Servicemen will not be required to perform any function that would create a hazard to life or property or exceed the capability of manpower, tools or equipment available.

Next Lower Classification	Same or Higher Classifications
2230 Reserve Gas Serviceman	0190 Chartman
	1405 Service Mechanic
	*1755 Service Operator
	2210 Serviceman
	2220 Utility Serviceman - Jackson

*Applicable only if employee has previously qualified as a Serviceman.

1990 Weekly Wages

Start	642.65
End 6 months	656.75
End 1 year	680.60
End 18 months	710.50
End 2 years	739.30
End 30 months	768.85

Explanation: Expands job definitions with an increase in wages of \$5.00 per week for serviceman.

EXHIBIT VIII

JOB COMPARISONS

GENERAL
CONSTRUCTION

DIVISIONSREGIONS

[Remainder unchanged.]

EXHIBIT X. WAGES

1755 SERVICE OPERATOR (Relief Only)

1990 Weekly Wages

Start	642.65
End 6 months	656.75
End 1 year	680.60
End 18 months	710.50
End 2 years	739.30
End 30 months	768.85

Explanation: Increases Service Operator Relief base wage by \$5.00 due to the serviceman wage increase.

EXHIBIT X. WAGES

BASIC WAGE SCHEDULE FIVE-DAY WEEK BASIS

Provide for General Construction Department wage rates 5% wage differential between General Construction classifications and their comparable Region/Division classifications.

FOOTNOTE, PAGE 54 and 55 (GENERAL CONSTRUCTION DEPARTMENT)

*The craft at which the Foreman, himself, is working while supervising the crew is to be included in determining his proper grade of Labor Foreman. The step in which a new Labor Foreman is placed in a particular grade shall be at least 4% over his present craftsman rate, or 4% over his highest rate supervised, excluding specialists such as Trencher, Backhoe Operator or Hole Digger Operator assigned to the crew. However, if a Trencher Operator, Backhoe Operator, Hole Digger Operator, Crane Operator, Tractor Operator A or Wrapping Machine Operator is assigned to the same job location for the full work day or more, such employee shall be considered to be an integral part of the crew.

FOOTNOTE, PAGE 55 and 56:

**The craft at which the Foreman, himself, is working while supervising the crew is to be included in determining his proper grade of Working Foreman. The step in which a new Working Foreman is placed in a particular grade shall be at least 4% over his present craftsman rate, or 4% over his highest rate supervised, excluding specialists such as Trencher, Backhoe Operator or Hole Digger Operator assigned to the crew. However, if a Trencher Operator, Backhoe Operator, Hole Digger Operator, Crane Operator, Tractor Operator A or Wrapping Machine Operator is assigned to the same job location for the full work day or more, such employee shall be considered to be an integral part of the crew. Notwithstanding anything else herein

contained, a Working Foreman B will be required on all Gas Construction jobs involving joint trench work for 15 or more structures or joint services.

FOOTNOTE, PAGE 65:

*The craft at which the Foreman, himself, is working while supervising the crew is to be included in determining his proper grade of Subforeman. The step in which a new Subforeman is placed in a particular grade shall be at least 4% over his present craftsman rate, or 4% over his highest rate supervised, excluding specialists such as Trencher, Backhoe Operator or Hole Digger Operator assigned to the crew. However, if a Trencher Operator, Backhoe Operator, Hole Digger Operator, Crane Operator, Tractor Operator A or Wrapping Machine Operator is assigned to the same job location for the full work day or more, such employee shall be considered to be an integral part of the crew.

Explanation: Labor/Working/Subforeman must be paid at least 4% over present craft rate or 4% over highest rate supervised, exclusive of specialist. Amends to provide that specified equipment operator classifications are not considered specialist when assigned to the same job location for the full work day. When assigned for the full day, the foreman's rate must be 4% over the equipment operator.

EXHIBIT XII ADDENDUM TO TITLE 206 AND 306 DEMOTION AND LAYOFF PROCEDURE

JOB SECURITY

During the course of 1990 General Negotiations the parties spent a great deal of time addressing the issue of job security with particular emphasis on the ability of Company to place non-bargaining unit employees into the bargaining unit. Company agreed that Letter Agreement 88-104 would remain in effect which limits Company's ability to place non-bargaining unit personnel into the bargaining unit. Further, in the application of Titles 206 and 306 of the Physical Agreement and Title 19 of the Clerical Agreement, Company agrees that should such placements occur, bargaining unit employees in the department and headquarters will not be impacted by demotion, displacement or layoff for the next three years subsequent to the placement of the non-bargaining unit employee into the bargaining unit, unless such employee leaves that headquarters for any reason. Employees at the headquarters in that department during the three year period will not be impacted by demotion, displacement, or layoff, unless such demotion, displacement, or layoff is unrelated to the placement of the non-bargaining unit employee into the bargaining unit, in which event the original non-bargaining unit employee will be affected first if the number of employees in that department and headquarters is being reduced.

Example 1. Supervisor is returned to Lineman position in Antioch. The supervisor must be placed in a vacancy as such placement cannot result in a displacement, demotion or layoff.

Example 2. Eight months after the supervisor's return to the bargaining unit, another Lineman bids out of the Antioch headquarters. Assuming there is no contracting of Electric T&D work, therefore, no 88-104 implications, the headquarters may elect to not fill the vacancy and reduce through attrition.

Example 3. Thirteen months after the supervisor's return to the bargaining unit the Concord Electric T&D Department effects a displacement for lack of work and a Lineman has 206.4 rights into Antioch. Since Antioch is not reducing in the Electric T&D Department, the affected Lineman in Antioch would be the one with the least seniority, which may or may not be the former supervisor.

Example 4. Fifteen months after the supervisor's return to the bargaining unit Antioch decides to downsize the Electric T&D Department by reducing the number of Lineman by one. Since a reduction is taking place, the supervisor is the first to be demoted, displaced, or laid off.

Example 5. At any time the supervisor leaves the Antioch Electric T&D department and headquarters for any reason (bid, transfer, displacement), the headquarters and department has returned to status quo and may be reduced through demotion, displacement or layoff.

TITLE 202. HOURS

TITLE 208. OVERTIME

"HOURS OF RELIEF SHIFT EMPLOYEES"

F. DISTRIBUTION OF OVERTIME

Distribution of overtime is provided for in Sections 208.16 and 212.1. However, since the primary purpose of the Relief shift classification is for relief duty employees so classified should be assigned such duty, when available, and such overtime worked by them shall not be equalized in the distribution of overtime for other employees, except, when a relief shift employee is committed to an extended relief of another shift employee(s) as described in C.4.a.(4). (Amended 1-1-91)

Explanation: Provides for relief shift employees to be included in equalized distribution of overtime when committed to an extended relief.

GENERAL CONSTRUCTION

CLASSIFICATION CONSOLIDATION AND LINES OF PROGRESSION

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

Duties of Consolidated Classifications

Adoption of this agreement will result in the elimination of several existing classifications and the consolidation of the duties of these classifications into a few newly established classifications. The parties understand and agree that the duties to be performed by the new classifications established by this agreement are limited to those duties formerly assigned to the classifications being eliminated/consolidated into a single classification and any new or additional duties specifically provided for in this agreement. For example, the consolidated Helper classification may perform the duties formerly appropriately assigned to the Engineers Aid (field duties), Second Faller, Groundman, Steel Assembly Groundman, Jackhammerman, Laborer, Material Man, Pipewrapper Hand Small, and Hand Large.

Wage Consideration

On the effective date of this agreement, incumbent employees shall be reclassified in accordance with the attached exhibits. If an incumbent is receiving a wage rate which is more than the top of the new consolidated classification, such employee shall not have his wage rate reduced but shall continue to receive his current wage rate and future general wage increases until such time as the employee permanently leaves the classification to which he has been reclassified.

Incumbent employees who are below the top step of their current classification shall continue to receive progressive wage increases and general wage increases in accordance with the wage schedule of their current or new classification, whichever is higher until they permanently vacate the classification to which they have been reclassified.

New hires or incumbent employees promoted to or demoted to the consolidated classifications on or after the effective date of the agreement shall be paid in accordance with the new wage schedules established by this agreement.

Bidding Rights to Region Classifications

A task force will be established to revise Title 600, Exhibit VI to incorporate, as appropriate, the classifications being established in this agreement, in such a way as to not reduce the current bidding rights of incumbent or future General Construction employees. If such revisions are incomplete as of the effective date of this agreement, the parties shall agree to an interim procedure which does not reduce the current bidding rights of incumbent or future General Construction employees.

Wage Differentials G.C.-Regions

On January 1, 1991 and each year thereafter for the term of the Agreement, classifications that are comparable between General Construction and the Regions shall be adjusted to maintain a minimum 5% differential between such classifications.

Company and Union shall prepare a list of classifications that are considered to be comparable between General Construction and the Regions. Where necessary other non-comparable General Construction classifications shall also be adjusted annually to maintain historical relationship/separation between comparable and non-comparable GC classifications. The Helper shall be considered comparable to the Region (0930) Helper; the new classification of G. C. Fieldman shall be considered comparable to the Region (0524) Fieldman; and the new classification of Miscellaneous Equipment Operator shall be considered comparable to a combination of the Region (0465) Heavy Truck Driver and the Region (1645) Equipment Operator.

Working Foreman B and Subforeman A - Station/Substation/Hydro Department

In the Station/Substation/Hydro Department, the parties agree to add Subforeman A and Working Foreman B classifications in the welding line of progression and Hydro line of progression, subject to the restrictions and limitations noted on the Station/Substation/Hydro Line of Progression Chart.

Technology

Attached is a list of new classifications, equipment, and job definitions. This list is intended to be inclusive of current duties appropriately assigned to the new, consolidated classification. The parties recognize that technological advances may raise questions about appropriate duties to assign to a classification in the future.

Therefore, Company and Union agree to establish a standing committee consisting of two representatives from Company and two representatives from Union to review new equipment and duties to determine the proper classification. Should such committee be unable to reach agreement on the appropriate classification to assign new equipment or duties to, the issue will be addressed pursuant to the provisions of Title 102. During the time such committee continues to discuss such issues, however, the time limits in Title 102 shall be suspended.

HELPER (0947)

Will replace the following classifications:

0050 Engineer's Aid
0523 Second Faller
0910 Groundman
0915 Steel Assembly Groundman
1040 Jackhammerman

1080 Laborer
1205 Material Man
1970 Pipewrapper, Hand Large
1975 Pipewrapper, Hand Small

Helper: An employee whose principal duties consist of semi-skilled work while assisting a higher classified employee. Helpers assist in construction and maintenance and other miscellaneous semi-skilled work. With adequate training and under direction, may be required to: use hand tools, portable power tools, pavement breakers, spaders, tampers or compactors for work not requiring precision; perform pipe wrapping duties. A Helper in Line Department may be permitted to learn to climb on the job in training for advancement, but shall not do line work.

Pursuant to Section 306.10, Company agrees not to demote incumbent Pipewrappers, Art Atondo and Donald Cook, for reasons other than lack of work.

Office duties formerly assigned to the Engineer's Aid classification shall be reassigned to the appropriate field clerical classification.

Helper (0947) Wage Rate (as of 1/1/90)

Start:	\$475.70
6 Mo.:	520.75
1 Yr.:	565.70
18 Mo.:	610.65
2 Yr.:	636.85

G.C. Fieldman (New Classification)

Will replace the following classifications:

0165 Carpenter C
0415 Truck Driver
0520 Faller
1450 Metalman
1573 Compressor Operator B
1643 Miscellaneous Equipment Operator B
1644 Miscellaneous Equipment Operator C
1980 Powderman

Employees in the Fieldman classification, on a voluntary basis, may perform the duties of the former Powderman classification, upon obtaining the appropriate license.

GC Fieldman wage rate (Effective 1/1/90) (New Classification code)

Start:	\$643.80
6 Mo.:	650.60
1 Yr.:	669.55
18 Mo.:	690.30
2 Yr.:	699.80

GC FIELDMAN (New Classification)

Operates the following equipment

- Earthworm;
- Gas/electric hoist up to 15 HP;
- Concrete Mixers 1/2 cu. yd. and under
- Concrete saws;
- Tractor, Pneumatic Tired Loader, less than 1 1/2 cu. yds. with or without scrapper;
- Compactors, self-propelled, riding such as: Arrow Hydra-Hammer/compactor, Champion Stroke Hammer, Ohawa Hydra-Hammer/tamper, R&O Hydra-Hammer/compactor, Superhammer/compactor, or equivalent;
- Tugger Air Hoist;
- Air compressor up to 1000 C.F.M.;
- Riding roller, self-propelled;
- Street Sweeper, self-propelled, small;
- Small Snow Cat, such as Bombadier;
- Two-axle truck of 12,000 lb. GVW or over;
- Small tiller type tractor or similar hauling unit, 30 HP and under;
- Industrial material handling truck or tractor including lift and towing;
- Pump tender;
- Small trencher and other equipment 30HP and under

Other equipment may be added to the above list by agreement between Company and Union.

G. C. Fieldman may be required to perform the following duties:

-Performs metalman duties

-When working as a part of a crew, performs carpenter work such as simple form work, scaffolds, and other simple sawing and nailing of lumber;

-When working as a part of a crew, performs plastic fusion such as socket joints, service tees and saddle connections on plastic pipe up to and including 4" in diameter. (Street Fitter classification shall be used when butt fusing or working alone.)

-When working as a part of a crew, performs miscellaneous pipe fitting on service connections/

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

alterations. Such work is limited to threaded pipe under two-inch diameter, length of pipe and fittings not to exceed five feet in length including fitting(s) where the installation is a single domestic meter set without a manifold. (Where the installation requires pipe size of two-inch or larger, length including fitting(s) exceeds five feet, number of meters exceeds one, or a manifold is required, the Street Fitter classification shall be used.)

Class A California drivers license and/or other appropriate licenses and endorsements as required. Company shall pay all costs associated with obtaining and maintaining the appropriate drivers license and/or endorsements.

Incumbent employees who do not currently possess a Class A California drivers license shall not be required to obtain such license, but may do so voluntarily, at Company expense. Should such employees not possess a Class California Drivers License, such employee shall not be assigned to equipment requiring said licenses.

Current employees as of January 1, 1991, in classifications higher than the Fieldman who are subsequently affected by Title 306 will not be adversely impacted as a result of the Fieldman licensing requirements.

Employees who enter the Fieldman classification after the implementation date of January 1, 1991 will be required to possess the Class A California Drivers License and/or other appropriate licenses and endorsements as required. If after entering the classification, the employee can no longer meet the physical requirements for the Class A California Drivers License and/or other appropriate licenses and endorsements as required, but is otherwise qualified to perform the duties required of a Fieldman on regular basis, he/she will be accommodated as follows:

One unlicensed Fieldman per 20 licensed Fieldman. In computing this ratio, all Fieldman will be included (both those classified at the time of implementation and Fieldman entering the classification after implementation.)

Miscellaneous Equipment Operator (New Classification)

Will replace the following classifications:

0435	Special Driver
0457	Line Truck Driver
0461	Heavy Truck Driver
1640	Miscellaneous Equipment Operator A
1844	Tractor Operator C
1570	Compressor Operator A

Class A California Drivers License and/or other appropriate licenses and endorsements as required. Company shall pay all costs associated with obtaining and maintaining the appropriate driver's license and/or endorsements.

Incumbent employees who do not currently possess a Class A California Drivers License shall not be required to obtain such license, but may do so voluntarily, at Company expense. Should such employee not possess a Class A California Drivers License, such employee shall not be assigned the duties of the former Heavy Truck Driver, Line Driver or Special Driver classification.

Current employees as of January 1, 1991, in classifications higher than the Miscellaneous Equipment Operator who are subsequently affected by Title 306 will not be adversely impacted as a result of the MEO licensing requirements. Employees in classifications higher in the Line of Progression to the MEO may voluntarily elect to maintain a Class A Drivers License, in which case all costs for obtaining and maintaining shall be paid by Company. An employee who progresses to a classification higher than MEO, in the event of a demotion pursuant to Title 306, shall be allowed up to 60 calendar days to obtain a Class A Drivers License if such employee does not already possess such license.

Miscellaneous Equipment Operator - Wage Rate (Effective 1/1/90)

Start:	\$723.80
6 Mo.:	742.35

MISCELLANEOUS EQUIPMENT OPERATOR (New Classification)

Operates the following equipment:

- Dozer, smaller than D-4 or equivalent, with or without a side boom or equipment;
- Rough terrain crane, Grove, Drott, Pettibone, up to and including 5 ton;
- Loader, P.T., 1 1/2 thru 3 cu. yds., without sideboom;
- Crane, swing, self-propelled, up to and including 5 ton;
- Transport truck and trailer engaged in loading, transporting, and unloading heavy construction equipment throughout a geographic area or the company system;
- Truck tractor operator coupled with one or more trailers;
- Three-axle truck;
- Truck with derrick and special body complete with tools and equipment to perform all phases of electric line work;*
- Boom truck without a personnel bucket under 10 tons;*
- Hydrauger;
- Gas/electric hoist over 15 HP;
- Motor Patrol, less than 115 HP, when not grading to stake or grade;
- Trencher, Boom Type, such as Ditch Witch, or equivalent;
- Concrete Pump;
- Tensioners and Pullers (see separate listing of pulling and tensioning equipment);

- Large Snow Cats;
- Drill, Liner, self-propelled air trac or equivalent;
- Cross Country vehicles such as Dragon Wagon or equivalent;
- Flume washer.

Other equipment may be added to the above list by agreement between Company and Union.

*:See Line Department Lines of Progression Chart, Note 7

** :See Station/Hydro Department Lines of Progression Chart, Note 8

Tractor Operator B Tractor Operator A

Tractor Operator (1840) (New classification title)

Eliminate the present Tractor Operator B and Tractor Operator A classification title, establish a new Tractor Operator classification title utilizing existing Tractor Operator A classification code of (1840)

All employees currently classified as Tractor Operator B and Tractor Operator A shall be assigned to the Tractor Operator classification and wage rate.

Tractor Operator - operates the following equipment:

- Cat, D-4, D-5, D-6, D-7 and D-8;
- Case, 850, 1150;
- IH, TD-9, TD-15, TD-20, TD-25;;
- A.C., HD-6, HD-11, HD-16, HD-21;
- Drott over 5 ton to 18 ton;
- Crane, swing, self-propelled 5 to 10 ton P/M Model 25-20;
- Loader, crawler mounted, 1-1/2 cubic yard and over;
- Whirley, swing crane;
- Motor patrol over 115 HP or when grading to stakes or grade;
- Tractor, crawler side boom, 10 ton and over.

Other equipment may be added to the above list by agreement between Company and Union.

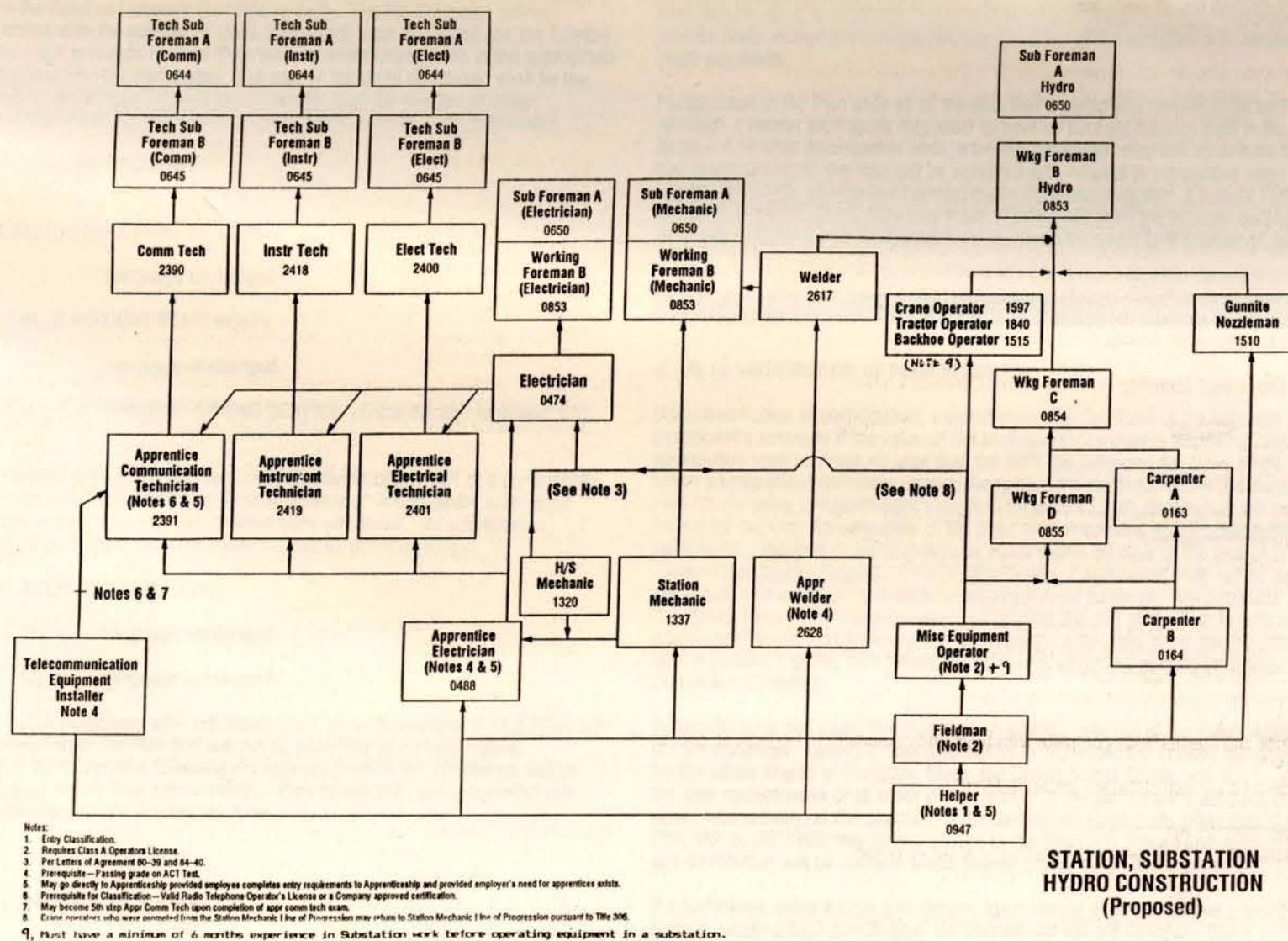
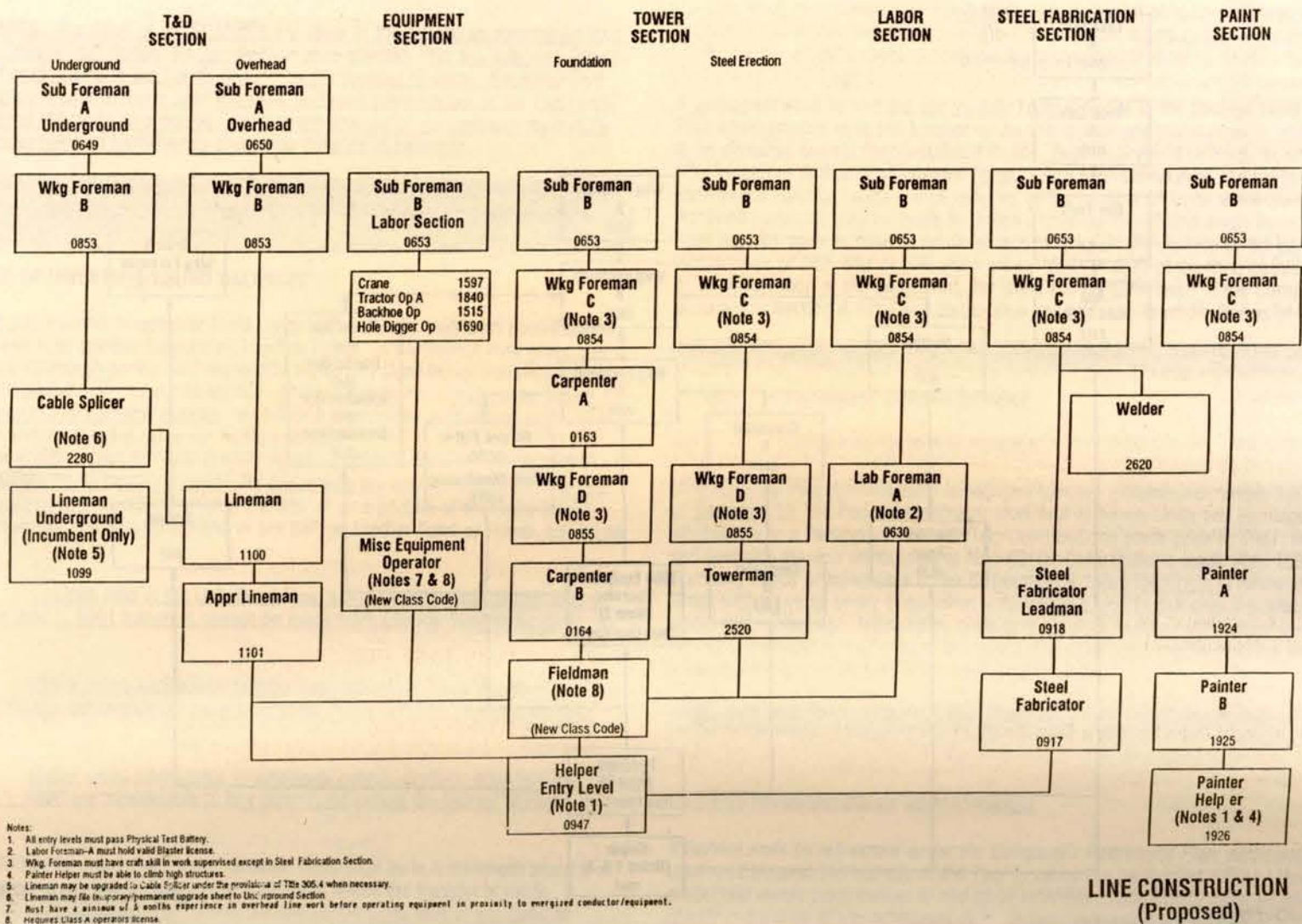
EXHIBIT I

Delete the following classifications due to obsolescence:

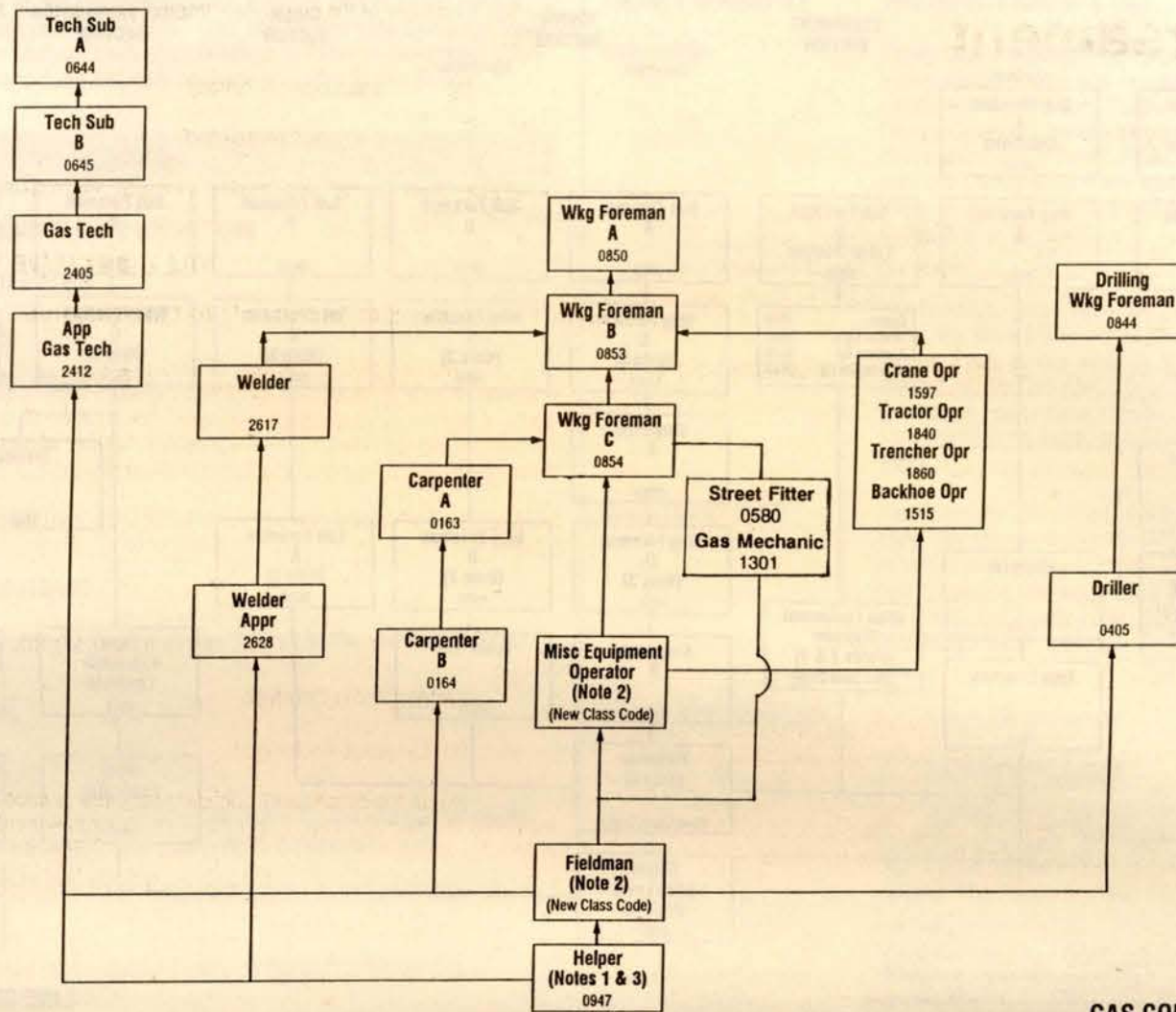
Service Center 0856 - Working Foreman "C"

Field Classifications 0050 - Engineer's Aid

- 0165 - Carpenter C
- 0415 - Truck Driver
- 0435 - Special Truck Driver
- 0457 - Line Truck Driver
- 0461 - Heavy Truck Driver
- 0520 - Faller
- 0523 - Second Faller
- 0910 - Groundman
- 0915 - Steel Assembly Groundman
- 0947 - Helper
- 1040 - Jackhammerman
- 1080 - Laborer
- 1205 - Material Man
- 1450 - Metalman
- 1570 - Compressor Operator A
- 1573 - Compressor Operator B
- 1640 - MEOA
- 1643 - MEOB
- 1644 - MEOC
- 1843 - Tractor Operator B
- 1844 - Tractor Operator C
- 1970 - Pipe Wrapper, Hand Large
- 1975 - Pipe Wrapper, Hand Small
- 1980 - Powderman



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- Notes:
1. Entry level—must pass Physical Test Battery.
 2. Requires Class A operator's license.
 3. May go directly to Apprenticeship provided employee completes entry requirements to Apprenticeship and provided employer need for apprentices exists.

**GAS CONSTRUCTION
(Proposed)**

Clerical Agreement

TITLE 1. PREAMBLE

1.2 NON-DISCRIMINATION

It is the policy of Company and Union not to discriminate against any employee because of race, creed, or religion, physical or mental handicap, sex, sexual orientation, color, age, national origin or veteran's status as defined under any Act of Congress or any other non-job related factor. (Amended 1-1-~~88~~91)

Explanation: Expands reasons for discrimination to include "any other non-job related factor." Conforms to existing ESC contract language.

TITLE 4. UNION SECURITY

4.1 AGENCY SHOP

- (a) Language unchanged.
- (b) Language unchanged.
- (c) Language unchanged.

(d) Any bargaining unit employee who is temporarily placed in a non-bargaining unit classification shall continue to be subject to the provisions of Subsection (a) above, for the duration of such temporary assignment. (Added 1-1-91)

(e) Once each month, Company shall provide to Union a list of employees in bargaining unit classifications who did not tender dues or an agency fee to Union during the preceding 30 day period. (Added 1-1-91)

Explanation: Adds (d) to include in contract language that, when temporarily upgraded to non-bargaining unit position, union dues/fees will still be paid. Adds (e) to include in contract language that company shall provide union with list of employees who did not tender dues/fees, once each month.

5.6 NEW EMPLOYEE INFORMATION

Company's local Human Resources Representatives shall, through local supervisors, notify the designated local Shop Steward or Representative of Union, in writing, of the reporting for duty of new bargaining unit employees within thirty days. Upon said notification, the parties may schedule necessary paid time (not to exceed one-half hour) and facilities for Union to provide orientation information regarding the obligations and benefits of Union membership. In addition, Company will include a one-page document, as submitted by Union, in the customary new employee orientation information package. Such document or discussion shall not include any matters derogatory to the Company and its customers. (Amended 1-1-~~88~~91)

Explanation: Company must, through Human Resource representatives, notify Local shop steward "in writing" within "30 days" reporting for duty of new employees.

TITLE 6. LEAVE OF ABSENCE

6.2 PERIOD OF LEAVE

- (a) Language unchanged.

(b) Child Care Leave: A regular employee who has become a parent by the birth of a child or has adopted a child, or has become the legal guardian of a child shall be entitled to an unpaid "leave of absence" for a period not to exceed six consecutive months, without reference to urgent and substantial personal reasons to care for such newborn or adopted child. When an employee who was granted a leave for child care applies for reinstatement the employee will be returned to the employee's former classification and headquarters which the employee vacated. (Amended 1-1-~~88~~91)

[Remaining language unchanged.]

Explanation: Expands to include guardianship of a child, to qualify for leave.

6.9 FUNERAL LEAVE

(a) If at all possible, a regular employee will be granted the actual time off with pay necessary to attend the funeral of a member of the immediate family, including the time the body may lie in state and the day of the funeral, and the time necessary to travel to and from the location of the funeral, but not to exceed three workdays. Unused vacation or floating holidays may be granted to extend an employee's funeral leave beyond the three days provided for above or personal time off without pay for the time needed will be granted. The immediate family shall be limited to: an employee's spouse, parent, grandparent, grandparent-in-law, parent-in-law, child, grandchild, son-in-law, daughter-in-law, stepchild, brothers, sisters, half-brothers and half-sisters, foster parents, step-parents, aunts, uncles, or a more distant relative an individual

who was a member of the employee's immediate household at the time of death. (Amended 1-1-~~88~~91)

- (b) Language unchanged.
- (c) Language unchanged.

Explanation: Adds "aunts" and "uncles" - deletes "more distant relative" and adds "an individual".

TITLE 7. SICK LEAVE

7.1 QUALIFICATION AND RATE OF COMPENSATION

After completing one year of Service and for each year of Service thereafter, a regular employee shall be allowed sick leave with pay for a total of 80 hours per calendar year; and, A regular part-time or intermittent employee shall be allowed sick leave with pay for such portion of 80 hours per calendar year as the average number of hours he regularly works in a week bears to 40 ratio of straight-time hours worked in a year to 2,080 hours. (Amended 1-1-91)

Explanation: This section is rewritten to include intermittent employees in the calculations of pro-rated sick leave.

TITLE 8. VACATIONS

8.2 VACATION ALLOWANCE

- (a) Language unchanged.

(b) In the subsequent calendar years and in each year thereafter, up to and including the fifth calendar year following his employment date, a regular employee shall be entitled to a vacation of ten workdays with pay. (Added 1-1-84) a regular employee shall be entitled to vacation with pay in accordance with the following table:

Subsequent Calendar Years Following Date of Employment	Workdays With Pay
2 - 5	10
6 - 15	15
16 - 21	20
22 - 29	25
30 and greater	30

(Amended 1-1-91)

(c) In the sixth calendar year and in each year thereafter, up to and including the 15th calendar year following his employment date, a regular employee shall be entitled to a vacation of 15 workdays with pay. (Added 1-1-84) Deleted 1-1-91

(d) In the 16th calendar year and in each year thereafter, up to and including the 21st calendar year following his employment date, a regular employee shall be entitled to a vacation of 20 workdays with pay. (Added 1-1-84) Deleted 1-1-91

(e) In the 22nd calendar year and in each year thereafter, up to and including the 29th calendar year following his employment date, a regular employee shall be entitled to a vacation of 25 workdays with pay. (Added 1-1-84) Deleted 1-1-91

(f) In the 30th calendar year and in each year thereafter following his employment date, a regular employee shall be entitled to a vacation of 30 workdays with pay. (Added 1-1-84) Deleted 1-1-91

Explanation: Changes format of vacation entitlement, now appears in Table form. No changes in years or amount.

8.4 PART-TIME AND INTERMITTENT REGULAR EMPLOYEES

A regular part-time or intermittent employee shall earn an annual vacation allowance as determined in the foregoing Section 8.2, but such allowance will be based on the ratio of the total straight-time hours worked by him in a year to 2,080 hours. (Amended 1-1-91)

Explanation: This section is rewritten to include intermittent employees in the calculation of pro-rated vacations.

8.5 FORFEITURE OF VACATION

- (a) An employee who is absent for 22 consecutive workdays or more in any

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calendar year by reason of leave of absence or layoff without pay for any reason, or for **66 consecutive** 110 workdays or more in any calendar year by reason of industrial disability, shall in the following calendar year forfeit for each 22 workdays of such absence 1/12th of the number of days of vacation to which he is entitled, to be computed to the nearest full day. An employee may at his option, take the full vacation to which he would be otherwise entitled, in which event he shall receive no vacation pay for the number of days of vacation he has forfeited as herein determined. (Amended 1-1-91)

(b) If any absence is for less than 22 consecutive workdays in duration because of leave of absence, or layoff without pay for any reason, or is for less than **11066 consecutive** workdays in duration because of industrial disability, an employee shall be entitled to a full vacation as provided for in Section 8.2. (Amended 1-1-91)

(c) Language unchanged.

(d) Language unchanged.

Explanation: Extends time limit, for employees off work due to industrial disability, from 66 consecutive work days to 110 workdays in a calendar year.

8.15 UNANTICIPATED VACATION

Any combination of vacation hours, up to 8 per year, may be taken in increments of one hour or more, at an employees option. (Added 1-1-91)

Explanation: Allows employees to take vacation in one hour increments up to 8 hours per year, was limit of 4-hour increments. A new section.

8.16 VOLUNTARY VACATION TRANSFER

By local agreement between Company and Union, employees may voluntarily sell vacation and transfer the proceeds to an employee experiencing a medical emergency, (including a medical condition of a family member), who has insufficient leave available to cover their absence from work. (Added 1-1-91)

Explanation: Allows employees to donate vacation to an employee experiencing medical emergency. This will be done at a local level by selling vacation and transferring proceeds to that person or for that person to be off work for a family member's medical emergency. A new section.

TITLE 10. HOURS OF WORK

10.5 PUBLIC CONTACT HOURS

As service to the public requires, or when established office hours are other than from 8:00 a.m. to 5:00 p.m., public contact employees may be regularly scheduled to work hours other than 8:00 a.m. to 5:00 p.m. Work hours other than from 8:00 a.m. to 5:00 p.m. for full-time employees shall be kept to a minimum consistent with the rendering of adequate service to the public. (Amended 1-1-91)

TITLE 11. SHIFT PREMIUM PAY

11.2 AMOUNT OF PREMIUM

(a) No shift premium shall be paid for the first shift. An hourly premium of 4 1/2 percent of the weighted average straight-time rate of all employees represented by Union (rounded to the nearest full cent per hour) shall be paid for work performed in the second shift, and an hourly premium of 9 percent of the weighted average straight-time rate of all employees represented by Union (rounded to the nearest full cent per hour) shall be paid for work performed in the third shift. The shift premium, if any, which is payable for an employee's regularly scheduled hours of work shall be paid for any time worked by such employee immediately preceding or following such employee's regular hours of work and as an extension thereof. If an employee is scheduled to work during a shift other than such employee's regularly scheduled shift, and such work does not immediately precede or follow such employee's regularly scheduled shift, the employee shall be paid the shift premium, if any, which is applicable to the shift in progress as of the time the employee starts such work. An employee will be paid the shift premium, if any, in effect for such employee's regular work hours for work performed on a regular workday where all work performed is contiguous with regular work hours. An employee will be paid the shift premium, if any, in effect for the shift in progress at the time such employee reports for work (exclusive of travel time) when work is performed on a regular workday where such work is not contiguous with regular work hours. An employee will be paid the shift premium, if any, in effect for time worked on such employee's non-workday based on the shift in progress at the time the employee starts work (exclusive of travel time). (Amended 1-1-91)

(b) The weighted average straight-time rate referred to in Subsection (a) hereof shall be calculated annually by adding any general wage increase effective on January 1 to the computed weighted average straight-time rate as of the December 31 immediately prior, except as provided for in (c) below. The effective date of any change in shift premium shall be January 1. (Amended 1-1-91)

(c) When all employees represented by Union are not granted equal increases, or

where the effective date is not the same, the calculation shall be computed by adding the appropriate general wage increase to the appropriate group's weekly payroll of the month immediately prior to the effective date of the general wage increase and adding the totals of the groups together to ascertain the total weekly payroll of the groups of employees represented by the Union. The sum of those amounts should be divided by the total number of employees represented by the Union and divided by 40. (Added 1-1-91)

Explanation: Change in contract language to include Letter of Agreement 88-1 and PRC 1252 decision language. Changes title name to "Premium Pay".

TITLE 12. OVERTIME

12.3 EQUAL DISTRIBUTION

(a) Prearranged and emergency overtime work shall be distributed among employees within a department as equally as practicable. The Company will post the overtime worked or credited as worked for each person for that week. The method for practicable equalization of prearranged and emergency overtime should be developed at each location by agreement between Company and Union. Such procedure should be in writing and signed by both parties. Whether procedures are developed or not, it is incumbent on Company to comply with the provisions of this Subsection concerning equal distribution. Where an imbalance cannot be justified, paying the aggrieved employee(s) is an appropriate remedy after the end of the accounting period, although this does not preclude other local agreements. (Amended 1-1-91)

(b) Language unchanged.

Explanation: Provides for local agreements to be established, where a problem exists in the application of this section.

TITLE 13. WAGES

13.2 PAYDAY

(a) Wages shall be paid at biweekly intervals on Fridays for a two weeks' payroll period ending not less than four nor more than ten days prior to the pay date, provided that if the regular pay date falls on a holiday payment shall be made on the preceding workday.

(b) Company shall make direct deposit of regular pay available to all employees. (Added 1-1-91)

Explanation: Company shall make direct deposit available at the employee's option. Overtime worked on the weekend preceeding a Monday holiday may not be included on that payday's direct deposit, but will be on the following payday.

13.9 WAGE RATE - ASSIGNED LOWER CLASSIFICATION

(a) Language unchanged.

(b) Language unchanged.

(c) When Company appoints an employee from a classification covered under the Physical Labor Agreement to a beginner's classification covered under this Agreement, such employee shall be given a wage rate commensurate with the provisions of Subsections (a) or (b) above, whichever is applicable paid at the first step of the wage progression of the new classification which is higher than the employee's present wage rate. (Amended 1-1-91)

Explanation: Provides for a simplified and consistent application of this section when employee is appointed a beginner's classification in the Physical Agreement from a Clerical classification.

TITLE 14. HOLIDAYS

14.3 FLOATING HOLIDAYS

An employee may select any day as a floating holiday, except those holidays listed under Section 14.1, either during the vacation sign-up provided for in Section 8.13 or during the year. Except in emergencies, employees shall make a good faith effort to notify their supervisor at least 24 hours in advance for all floating holidays which are not scheduled in accordance with Section 8.13. A supervisor may, however, limit the number of employees in a classification at a headquarters who may be off on a floating holiday on any given day. If more employees elect a specific day as a floating holiday than can be permitted off on that day, the preference will be given in order of service to employees who sign up during the annual vacation sign-up. Under no circumstances may an employee with greater service "bump" an employee who has signed up for a given floating holiday earlier in the year. (Amended 1-1-~~88~~91)

Explanation: To clarify language to not allow a floating holiday to be requested on any other holiday listed under Section 14.1.

14.4 SUNDAY HOLIDAYS

When any of the above holidays falls on a Sunday, the Monday following shall be observed as the holiday. However, those employees scheduled to work on Sunday at the straight time rate shall observe that Sunday as a Holiday and the following Monday shall not be treated as a

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Holiday. (Amended 1-1-8891)

Explanation: Changes Sunday to be observed as the holiday when an employee is regularly scheduled to work that day. For example: an employee regularly scheduled to work Sunday, December 25, and has a regular scheduled day off Monday, December 26, Sunday will then be observed as the holiday.

14.15 Martin Luther King, Jr.'s Birthday

In observance of Dr. Martin Luther King, Jr.'s birthday, Company agrees that an employee's request to use a floating holiday for commemoration will be granted, except that Company may limit the number of employees who may be off based on the minimum staffing requirements for a regular holiday. In consideration of operational needs, employees are encouraged to submit their requests in a timely fashion. (Added 1-1-91)

Explanation: Adds language to contract to allow employees to request a floating holiday on Dr. Martin Luther King Jr.'s Birthday and request will be granted based on limitations for minimum staffing and operational needs. These limitations will be same as on any other holiday. For example: if on all other holidays, the staffing at a headquarters is five employees off and two employees working, then these same staffing numbers should be observed on Dr. Martin Luther King Jr.'s Birthday.

TITLE 15. EXPENSES

15.2 TRANSPORTATION

If it becomes necessary for an employee to perform temporary work away from his headquarters, Company shall provide transportation or shall reimburse him for the cost of using public transportation, provided, however, that if solely for Company's convenience an employee uses his personal automobile, Company shall reimburse him therefore on the basis of mileage rates negotiated by Company and Union from time to time to the maximum non-taxable vehicle mileage allowance allowed by the I.R.S., except that an employee covered under Standard Practice 724.5-1 (DMA) will continue to receive reimbursement as provided therein. However, the application of the DMA shall not be reduced without agreement with Union. (Amended 1-1-91)

Explanation: Allows the employee to be entitled to the maximum non-taxable vehicle mileage allowance set by the IRS rather than to wait for this amount to be negotiated. Any time the IRS changes this amount the mileage allowance will automatically reflect this change.

TITLE 16. MEALS

16.2 MEALS - REIMBURSEMENT AND TIME TAKEN

(a) Company shall pay the cost of any meal which it is required to provide under this Title, and shall consider as hours worked the time necessarily taken to consume such meal, except, however, that when a meal is taken at Company expense following dismissal from work the time allowance therefor shall be one-half hour. If an employee who is entitled to a meal under the provisions of this Title prior to work, during or upon dismissal from work does not accept such meal the employee shall nevertheless be entitled to such time allowance of one-half hour for each meal missed and meal reimbursement as provided in (b) below. The foregoing shall not apply to an employee's regular lunch period. (Amended 1-1-91)

(b) At the employee's option, Company shall pay an allowance for any meal which it is required to provide in accordance with the following schedule:

1. Prior to reporting to work:

(i) Meal nearest regular starting time	\$8.00	\$7.00
(ii) Meal nearest midpoint of regular hours	8.00	7.00
(ii) Meal nearest regular quitting time	15.00	14.00

2. Meal following dismissal from work 15.00 14.00

3. Meal missed during a work period 15.00 14.00

The allowance referred to above may be paid by separate check and shall be issued on a weekly basis. (Amended 1-1-91)

(c) Language unchanged.

Explanation: Adds language to indicate this section does not apply to regular lunch period. Adds \$1.00 to all meal allowances. Adds language to allow company to pay meal allowances by check on a weekly basis. This does not apply to meal reimbursement when a meal has been purchased.

16.3 MEALS - WORK BEYOND QUITTING TIME

(a) If Company requires an employee to perform work for more than one hour beyond the employee's regularly scheduled eight-hour work hours period, it shall provide the employee with a meal approximately one hour after regular quitting time and with a second meal at intervals thereafter of the end of five hours if one can be provided. Except, if it is known that work will continue for more than five hours, the employee shall be entitled to meals at approximately four hours but not more than five hours if one can be provided for as long as the employee continues such work. The cost of any such meal and the time necessarily taken to consume same shall be at Company's expense. (Amended 1-1-91)

(b) A part-time employee who has performed work for more than one hour or more beyond the employee's regularly scheduled work period shall be entitled to a meal and the time in which to eat it at the straight rate of pay, up to one-half hour, upon dismissal provided the employee has performed work for five hours since reporting for work or the employee's last meal period. Work performed one hour beyond an eight-hour work period shall be compensated in accordance with (a) above. The provisions of 16.2 apply to part-time employees. (Amended 1-1-91)

(c) Language unchanged.

Explanation: to provide employee with a meal at 1-1/4 hours beyond regular quitting time and others at four-hour intervals thereafter. This changes time limit on second meal from five hours to four hours when an employee is entitled to a meal.

16.4 MEALS - OUTSIDE REGULAR HOURS OR NON-WORKDAYS

(a) Language unchanged

(b) If Company requires an employee to perform work on his non-workday or workday wholly outside of the hours established as his work hours on a workday, it shall, if possible, provide him with a meal at intervals of approximately fivefour hours but not more than five hours for as long as such work continues. (Amended 1-1-91)

(c) Language unchanged

(d) Language unchanged

Explanation: Changes time limit from five hours to four hours.

TITLE 17. STATUS

17.6 PART-TIME EMPLOYMENT

(a) A part-time employee is any employee whose regularly scheduled workweek is less than 40 hours. Regular part-time employees who attained part-time status on or before December 31, 1990 shall be entitled to Service and prorated vacations and sick leave based on the ratio their scheduled workweek bears to 40 hours of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. Regular part-time employees who attained part-time status on or after January 1, 1991 shall be entitled to Service and prorated benefits, vacations and sick leave based on the ratio of total straight-time hours worked in a year by the employee to the full-time equivalent hours (2,080 hours per calendar year), unless otherwise noted. (Amended 1-1-91)

(b) A part-time employee who attains regular status or a regular full-time employee who accepts part-time status on or after January 1, 1991 shall be eligible to receive the following benefits:

(1) Group Life Insurance and Long-Term Disability coverage, and Retirement Plan and Savings Fund Plan benefits as provided in the Benefit Agreement.

(2) Medical, Dental and Vision plan coverages as provided in the Medical, Dental and Vision Benefit Agreement.

(3) Vacation allowance as provided in Title 8, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.

(4) Sick Leave as provided in Title 7, but prorated based on the ratio of straight-time hours worked in a year to 2,080 hours. Sick leave may only be taken on those days or for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury.

(5) Paid Holidays when regularly scheduled to work on that day. Such holiday payment shall be in proportion to the amount of time which the employee would have worked on that day if it were not a holiday.

(Added 1-1-91)

Explanation: This section maintains existing benefits for present part-time employees and establishes pro-rated benefits, vacation and sick leave for regular part-time employees who attain part-time status on or after January 1, 1991, based on a ratio of total straight-time hours worked in a year to the full-time equivalent hours.

17.7 INTERMITTENT EMPLOYEES

(a) Language unchanged.

(b) Language unchanged.

(c) An intermittent employee who attains regular status or a regular employee who accepts intermittent status shall be eligible to receive the following benefits: (Amended 1-1-91)

(1) Group Life Insurance and Long-Term Disability coverage, and Retirement Plan and Savings Fund Plan benefits as provided in the Benefit Agreement.

(2) Long-Term Disability coverage with the base rate established on the basis of the

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previous six months' average straight-time rate.

(3) **Retirement Plan as described in the Benefit Agreement.**

(4) **Savings Fund Plan, when qualified, based on a percentage contribution of employee's actual straight-time wage in conformance with the rules of the Savings Fund Plan.**

(2) **Medical, Dental and Vision plan coverages as provided in the Medical, Dental and Vision Benefit Agreement.**

(5) **Dental Insurance and Vision Care.**

(6) **Group Medical Insurance. If an employee does not work in a given month, double deductions for premiums will be made in succeeding months.**

(7)(3) **Vacation allowance as provided in Title 8, but prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.**

(8)(4) **Sick Leave as provided in Title 7, but prorated based on the ratio of total straight-time hours in a month to 173 hours, in a year to 2,080 hours. Sick leave may only be taken on those days and for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury.**

(9)(5) **Paid Holidays when regularly scheduled to work on a regular schedule known in advance that day. Such holiday payment shall be in proportion to the amount of time which such the employee would have worked on such that day it it were not a holiday.**

Explanation: This section is rewritten for clarification of benefits of Intermittent employees.

TITLE 18. JOB BIDDING, PROMOTION AND TRANSFER

18.3 FILLING TEMPORARY VACANCIES

(a) (1) Whenever a vacancy occurs in any job classification, Company may temporarily fill it by assignment. In making temporary assignments to fill job vacancies, other than vacancies in beginner's classifications, Company shall first consider regular full-time employees at the headquarters in which the job vacancy exists in the order of their preferential consideration under Section 18.8. The foregoing shall apply whether or not the vacancy is one which must be filled on a regular basis.

(2) The following guidelines shall be applied in the application of Subsection 18.3a(1):

i. To the senior qualified 18.8(a) bidder in the department and headquarters of the vacancy; and then (b) bidder in the department and headquarters.

ii. To the senior qualified 18.8(a) bidder in the headquarters of the vacancy; and then (b) bidder in the headquarters.

iii. To the senior qualified 18.8(d) bidder in the department and headquarters of the vacancy.

iv. To the senior qualified 18.8(d) bidder in the headquarters of the vacancy.

Note: If the vacancy is in a Division Department located at the same headquarters as a Department under the Region, Region 18.3(b) or (d) bidders fall into categories 2 and 4 and vice versa.

(Amended 1-1-91)

(b) If the vacancy cannot be filled as outlined in (a) above, the senior qualified prebidder residing within a commutable distance (30 miles or 45 minutes road time) from the temporary headquarters shall be offered the vacancy. (Amended 1-1-88) and if there is no lower classification in the headquarters and the temporary vacancy is for more than one week and the Company still desires to fill the temporary vacancy, the senior qualified pre-bidder residing within the Bidding Unit residing within a commutable distance (30 miles or 45 minutes road time) from the headquarters shall be offered the vacancy. (Amended 1-1-8891)

(c) Language unchanged.

(d) Language unchanged.

Explanation: Adds "If there is no next lower classification", "the temporary vacancy is for more than one week" and "within the bidding unit."

18.4 PREBID PROCEDURE

Any regular employee of Company may submit a prebid on any existing job classification and headquarters for which the employee desires consideration in accordance with the following procedures: (Amended 1-1-88)

(a) Language unchanged.

(b) Language unchanged.

(c) Language unchanged.

(d) Language unchanged.

(e) Language unchanged.

(f) Language unchanged.

(g) Language unchanged.

(h) Language unchanged.

(i) Language unchanged.

(ii) **Prebid Directory: The Company shall identify all prebidable classifications covered under the Physical and Clerical Agreements. Such identification shall include the location, function and prebid number. (Added 1-1-91)**

18.5 FILLING BEGINNER'S CLASSIFICATION

Whenever the Company intends to fill a beginner's classification, Company shall fill it in the following sequence:

(a) Language unchanged.

(b) Company shall make unrestricted appointments in filling one-half of the vacancies in beginner's classifications or one-half of the vacancies in regularly scheduled part-time jobs at any headquarters. **An employee who is the senior, qualified transferee to more than one vacancy, which is currently being filled, shall be given the option of accepting the classification and headquarters desired. (Amended 1-1-8891)**

(c) In making appointments to fill . . . to fill such vacancies. **An employee who is the senior, qualified transferee to more than one vacancy, which is currently being filled, shall be given the option of accepting the classification and headquarters desired. Preference for appointment shall be given to the employee in each classification who has the greatest Service in the following sequence:**

(1) To such physical and clerical employees in the **Division Bidding Unit** where the vacancy exists. (Priority 2 status transfer)

(2) Language unchanged.

The provisions of this Subsection shall be applicable to a beginner's classification in a line of progression at a headquarters where a transfer application for such vacancy is on file and the number of unrestricted appointments under provisions of Subsection 18.5(c) exceeds transfers.

All transfer requests must be submitted by United States or Company mail on a form provided by Company. The date of receipt shall be the postmark date if delivered by U.S. Mail, or Industrial Relations date stamp if delivered by Company mail or if the U.S. postmark is illegible. In no events shall the Company consider any transfer application which was received by Company less than eight calendar days prior to the established control date. The control date is first established on the date the fully authorized personnel requisition is received and date stamped by the local **Human Resources Personnel** Department to fill a job vacancy in the classification and headquarters on which the transfer application was made. If the transfer listing is exhausted without a successful candidate, a new control date will be established. This new control date will be the date of the decline or bypass of the last transfer applicant. Transfers which were not timely under the original control date but were received eight days prior to the new control date will then be given consideration. If the vacancy cannot then be filled by transfer, it may be filled by unrestricted appointment - no transfers on file. (Amended 1-1-91)

(d) Company shall acknowledge receipt of all transfer applications within 15 calendar days from date of receipt and, without rejecting such applications, notify in writing an employee who submits a transfer application of any known reason which might preclude the employee from filling the classification on which the employee has submitted a transfer application, including information regarding testing programs which must be completed. Information on whether or not an employee has completed such programs is available from the employee's **Human Resources Personnel** Department. (Amended 1-1-8891)

(e) Within ten calendar days after the first of each month, Company shall, within each **Bidding Unit Division** or Department, provide Union information on beginning job vacancies that have been filled the previous month as follows:

(1) - (7) Language unchanged.

(f) Language unchanged.

(g) Language unchanged.

(h) Language unchanged.

(1) Language unchanged.

(2) Upon the employee's declining an appointment to the classification and

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headquarters on which the transfer was submitted **and after 15 calendar days advance notice from Company.** (Amended 1-1-91)

(3) - (6) Language unchanged.

Explanation: Moves language from (c) to (d) where it actually belongs. Replaces "Division" with "bidding unit". No change in application.

18.7 FORFEITURE

If an employee is the senior qualified bidder for a job vacancy and turns down a bona fide offer for such vacancy, such employee's prebid or transfer application on such vacancy shall be cancelled. Such employee's prebid or transfer application to such classification and headquarters need not be considered for a period of six months. Exceptions to the aforementioned will be as follows:

(a) Language unchanged.

(b) An employee who after declining a bona fide offer to a vacancy at a given headquarters attains with preferential bidding rights under Title 19 shall not be subject to the provisions of this Section. (Amended 1-1-8891)

Explanation: Eliminates six-month period restriction when affected by Title 19 (demotion and layoff procedure) after an employee has declined a bona fide offer. Provides more options for employees affected by Title 19.

18.10 TIME LIMITS ON BIDDING

Notwithstanding anything contained in this Title, Company shall not give consideration to any application for transfer, or prebid or postbid submitted by an employee who has changed lines of progression within the preceding 12 calendar months or who has entered a training classification within the preceding 12 calendar months, if the consideration of such application for transfer, or prebid or postbid would result in such employee returning to his or her last previous line of progression. Training classification is defined as a classification for which there exists a negotiated training program. (Added Amended 1-1-8091)

Explanation: Deletes reference to postbid, no change in application, language clean-up.

18.11 BYPASS FOR LACK OF QUALIFICATIONS

(a) Language unchanged.

(b) Company may give tests to assist in determining an employee's qualifications. By written agreement, Company and Union may adopt testing programs for determining employee's qualifications for promotion. An employee's failure to pass such tests in accordance with a Company and Union-approved program shall result in rejection of his bid without further consideration. The employee shall have the right to review the examination and the correct answers unless there are no alternate versions of the examination, in which event the employee can review the examination without the correct answers. Any review shall be conducted with a management employee. (Amended 1-1-8491)

Explanation: Allows an employee to review the examination to find weak areas and where mistakes were made.

18.18 POSTING OF JOB AWARDS

Language unchanged.

Explanation: Corrects typo from 18.8 to 18.18.

18.21 RIGHTS TO GRIEVANCE

Any employee aggrieved by Company's application and interpretation of the job bidding and promotion policies established herein may thereon invoke the grievance procedure of this Agreement. (Added 1-1-91)

Language unchanged.

Explanation: Provides for right to grievance under this section.

TITLE 19. DEMOTION AND LAYOFF PROCEDURE

19.1 GENERAL RULES (REGULAR EMPLOYEES)

The provisions of Title 19 which are applicable to employees in cases of displacement, demotion or layoff due to lack of work or the return of an employee from leave of absence for Union business or military services shall be applied in such manner as to give effect to the following:

(a) Language unchanged.

(b) Language unchanged.

(c) Language unchanged.

(d) Language unchanged.

(e) Language unchanged.

(f) Language unchanged.

(g) Language unchanged.

(h) No regular full-time employee will be displaced, demoted, or laid off due to the usage of part-time employees. Further, at a headquarters where Title 19 is to be implemented, all part-time employees shall be affected prior to regular full-time employees. (Added 1-1-91)

Explanation: Provides for added job security for regular full-time employees.

19.2 NOTICES

The following notices shall be given in connection with the demotion and layoff provisions of this Title:

(Replace current Subsections a, b, and c with the following)

(a) Company will give an employee who is to be demoted as much notice thereof as possible. At the time of notification the employee will be advised of the classification to which the employee is to be demoted and provided with a list of the jobs and locations thereof to which any elections (vacancy or displacement of another employee) may be applied. (Amended 1-1-91)

(b) Within twelve workdays after receipt of the list described in Subsection (a), the employee should notify Company of his/her election to transfer and indicate the job locations in the order of his/her preference. Preferential consideration shall be given to employees in the order of their Service, while Company shall endeavor to give effect to an employee's preference in the order he/she has indicated. Length of Service shall be the determining factor where two or more employees express a preference for a single location. Company shall notify an employee as to the specific location to which such employee will be transferred. (Amended 1-1-91)

(d)(c) Language unchanged.

(e)(d) Language unchanged.

(e) By agreement between Company and Union, the notice periods in this section may be extended. (Added 1-1-91)

Explanation: Combines old language (b) and (c) which will now be (b). Time limit or application unchanged. Provides for notice periods to be extended when Company and Union agree.

19.8 MOVING ALLOWANCE

When an employee is displaced under the provisions of this Title because of lack of work at his/her headquarters, and his the employee's new headquarters is beyond commutable distance from his/her residence, Company shall reimburse him the employee for the reasonable costs incurred in connection with moving his/her household in a sum not to exceed **\$1600 \$2,000.** (Amended 1-1-8491)

(a) Language unchanged.

Explanation: Increases moving allowance \$400.00 from \$1600.00 to \$2000.00. Also makes this section gender neutral.

19.10 DEMOTION INTO UNIT FROM OUTSIDE

(a) Language unchanged.

(b) Language unchanged.

(c) Company shall not demote into the collective bargaining unit a supervisor or other employee who was hired or left the bargaining unit on 1-1-91 or thereafter. (Added 1-1-91)

Explanation: Provides for more job security for bargaining unit employees.

19.15 DEMOTION OF NON-UNIT EMPLOYEE INTO UNIT

(a) A supervisory or other employee who was not at the time of demotion a member of the collective bargaining unit but who formally worked in a classification which is in such unit may be demoted for any reason other than for lack of work into a previously existing vacancy in such unit within the Division in which he is employed or into a vacancy which has been created in any Division by the concurrent transfer or promotion of an employee out of such unit in connection with such demotion.

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(b) In no case shall such demoted employee be placed into a classification that is higher than the classification held prior to leaving the bargaining unit subject to Subsection 19.1(f). (Added 1-1-84)

(c) Company shall not demote into the collective bargaining unit a supervisor or other employee who was hired or left the bargaining unit on 1-1-91 or thereafter. (Added 1-1-91).

Explanation: Provides added job security for bargaining unit employees.

TITLE 20. SAFETY

20.1 HEALTH AND SAFETY

The provisions of Title 105 of the Physical Agreement dated September 1, 1952, as last amended, are incorporated herein except that:

(a) *Grievances shall be filed in accordance with the provisions of title 9 of this Agreement, and*

(b) *Only a single Health and Safety Committee and Safety Inspection Committee shall be established, but Clerical employees may be appointed to such Committees pursuant to the applicable provision of Section 105.3 and 105.8 of said agreement. (Deleted 1-1-91)*

20.2 105.1 PREVENTION OF ACCIDENTS

(a) The safety rules of the state having jurisdiction shall be observed by the parties hereto. It is recognized that the Employer has the exclusive responsibility for providing a safe and healthful workplace.

(a)(b) Company shall make reasonable provisions for the safety of employees in the performance of their work. Company and union shall cooperate in promoting the realization of the responsibility of the individual employee and supervisor with regard to the prevention of accidents. (Entire Section amended 1-1-8091)

Explanation: Changes Section number from 105.2 to 20.2. Adds language to contract stating it is company's responsibility to provide safe and healthful workplace.

20.3 105.2 PROMULGATION OF ACCIDENT PREVENTION RULES

Language unchanged.

20.4 105.3 HEALTH AND SAFETY COMMITTEE

(a) Members - (1) There shall be established immediately a Company-Union Health and Safety Committee consisting of not more than ten members, five of whom shall be appointed by Company's Manager of Industrial Relations from among its employees and five of whom shall be appointed by Union from among its members. (2) Only a single Health and Safety Committee and Safety Inspection Committee shall be established, but Clerical employees may be appointed to such Committees pursuant to the applicable provisions of Section 105.3 and 105.8 of the Physical Agreement. (Amended 1-1-91)

(b) Language unchanged.

(c) Language unchanged.

(d) Language unchanged.

(e) Language unchanged.

Explanation: Changes Section Numbers from 105.1, 105.2 and 105.3 to 20.2, 20.3 and 20.4. Provides for reference to Section 105.3 and 105.8 of the Physical Agreement when employees appointed to committees.

20.5 105.4 TIME

Language unchanged.

20.6 105.5 GRIEVANCES

Language unchanged.

20.7 105.6 ELECTION OF REMEDY

Language unchanged.

20.8 105.7 ELECTRICAL LIMITS

Language unchanged.

20.9 105.8 SAFETY INSPECTION COMMITTEES

Language unchanged.

20.10 105.9 WALK AROUND INSPECTION

Language unchanged.

20.11 105.10 INDUSTRIAL INJURY REPORT

Language unchanged.

TITLE 23. SUPPLEMENTAL BENEFITS FOR INDUSTRIAL INJURY

23.1 BENEFIT DESCRIBED

(a) When an employee is absent by reason of injury arising out of and in the course of the employment with Company which comes within the application of the Worker's Compensation and Insurance Chapters of the State Labor Code, he shall be eligible for supplemental benefits for the duration of temporary disability. Such benefits shall commence with the first workday of absence immediately following the day of the injury. The amount of the supplemental benefit payable for each of the first 182 days of absence shall be 85 percent of an employee's basic weekly wage rate divided by five, less the sum of any payments to which he may be entitled under the Workers' Compensation and Insurance Chapters of the State Labor Code and benefits from the Voluntary Wage Benefit Plan which provides benefits in lieu of unemployment compensation disability benefits provided for in the California Unemployment insurance Code. On the 183rd day of absence and thereafter, the supplemental benefit described above shall be computed at ~~75~~ 66 2/3 percent of the employee's basic weekly wage rate divided by five, less the offsets described above. (Amended 1-1-~~83~~ 91 to apply to absence due to injuries occurring on or after 1-1-~~83~~ 91)

(b) Any supplemental benefits paid during the first week of disability shall be considered as a credit against disability compensation which may be retroactively due under the provisions of the Worker's Compensation and Insurance Chapters of the State Labor Code. Supplemental benefits paid for the first aggregate 182 days of absence shall be considered as a credit which may be applied to any permanent disability settlement. (Amended 1-1-91)

Explanation: Changes supplemental benefits, after six months, from 75% to 66-2/3% and no pay back when permanent disability settlement is received. Applies to employees injured after 1/1/91 only.

TITLE 25. TERM

25.1 TERM

This Agreement having taken effect as of July 1, 1953, and having thereafter been amended from time to time shall continue in effect as further amended herein for the term of January 1, 19~~88~~ 93, and shall continue thereafter from year to year unless written notice of termination shall be given by either party to the other 60 days prior to the end of the then current term. (Amended 1-1-~~88~~ 91)

25.3 GENERAL WAGE INCREASES, LUMP SUM PAYMENTS AND WAGE REOPENER

(a) Effective in 1988, each employee covered by this Agreement shall receive a lump sum payment equal to two and three quarters percent of such employee's straight time and overtime earnings for the third and fourth quarter periods. Such payment shall be made to each employee covered by this Agreement during the preceding quarter, in the month immediately following the end of such quarter. An additional one percent lump sum payment will be made in January 1989 based on the 1988 W2 earnings of employees. Effective January 1, 1991, the basic wage rates established for January 1, 1990 in Exhibit F of this Agreement shall be increased by three and three-quarters percent. (Amended 1-1-91)

(b) Effective January 1, 19~~89~~ 92, the basic wage rates established for January 1, 19~~87~~ 91 in Exhibit F of this Agreement shall be increased by one and three-quarters ~~four~~ percent. (Amended 1-1-~~88~~ 91)

(c) On or before November 1, 1989, either party to this Contract may reopen the Agreement for negotiation of the sole subject of wages to be effective on or after January 1, 1990. Effective January 1, 1993, the wage rates established for January 1, 1992 in Exhibit F of this Agreement shall be increased by four and one-half percent. (Amended 1-1-~~88~~ 91)

(d) (Deleted 1-1-88)

Explanation: Changes contract language to reflect negotiated general wage increase of 3.75%, 4.0% and 4.5% for 1-1-91, 1-1-92 and 1-1-93 respectively. No lump sum payments, and general wage increase same as Physical.

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JOB DEFINITIONS AND LINES OF PROGRESSION (Clerical)

EXHIBIT A

Accounting and Computer Operations Lines of Progression:

Customer Services Lines of Progression:

Operating Lines of Progression:

TYPIST AND STENO DESIGNATION CRITERIA

Typist Designation:

Criteria: A typist position will normally perform typing 20 percent of the time during a work week. The typing assignments should generally require more than simple typing skills such as form completion.

The above criteria will be waived if there is a demonstrated need for a Typist at an office.

Steno Designation:

Criteria: The position should meet the Typist criteria as described above. Additionally, the position's duties should require that the incumbent regularly take dictation.

Regularly is defined as follows: The position shall take dictation and transcription an average minimum of once per week over a year's period of time.

Explanation: Adds typist and steno designation and criteria to contract language.

EXHIBIT C

METER READER AGREEMENT OF THE CLERICAL AGREEMENT

L. Uniforms

1. The Company will provide each Meter Reader with six shirts (Meter Reader may select styles from long sleeves, short sleeves or polo in gray, white or gold) and five pants (in their choice of light or charcoal gray) to be used as uniforms when performing their assigned duties. With supervisory approval, other colors may be available. Walking shorts may be substituted for pants unless supervision believes such attire is a safety hazard.

2. **Meter Reader will be afforded a choice of tan (khaki) or dark brown in the selection of pant colors.** The Company logo will be affixed to the front and back of the shirt.

3. When local suppliers are unable to provide appropriate pant sizes, Meter Readers will be allowed to purchase them from a local supplier who can provide properly-sized and colored pants and the Company will reimburse the employee.

4. Meter Readers may have a windbreaker and a choice of jacket, vest or jacket with removable sleeves for use in cold weather. Choice to be exercised at next jacket replacement for existing Meter Readers and at initial uniform supply for new Meter Readers. The required color is **dark brown**gray. Company logo will be affixed to the front and back of the jacket or wind breaker.

5. The Company will provide each Meter Reader with a complete set of yellow raingear to include a top, bottom, and hood or hat.

6. Uniforms and raingear (worn during wet weather) are required while working and should not be worn at other times except to and from work.

7. Upon purchase of the foregoing items, they will become the property of the employee for whom they were purchased. In the event of termination or transfer to another classification (other than Meter Reader), any patches containing the PG&E logo will be removed and surrendered to the Company. The clothing shall remain the property of the employee.

8. It is the employee's responsibility to maintain (i.e., launder and repair) uniforms and other forms of clothing purchased for his/her use as a Meter Reader.

9. Lockers: The Company will provide lockers if space is available. If no space for lockers is available, the Company will provide closet space if it is available. Closet or locker space is not to be limited to offices only.

10. Rainboots allowance: The Company will provide up to \$45 every **two** years for rainboots/snowboots. Meter Readers will be required to submit proof of purchase for reimbursement.

11. It is recommended that hard sole walking shoes be worn for the safety of the Meter Reader.

12. Upon request, the Company will issue two-tone white/gray or solid gray baseball caps to the Meter Readers. Safari hats are also available upon request.

Explanation: Provides for walking shorts, caps and company logo to be added to company-provided uniforms. Also increases rainboots/snowboots allowance from \$45 every two years to \$45 every year.

EXHIBIT I ADDENDUM TO TITLE 19. DEMOTION AND LAYOFF PROCEDURE

JOB SECURITY

During the course of 1990 General Negotiations the parties spent a great deal of time addressing the issue of job security with particular emphasis on the ability of Company to place non-bargaining unit employees into the bargaining unit. Company agreed that Letter Agreement 88-104 would remain in effect which limits Company's ability to place non-bargaining unit personnel into the bargaining unit. Further, in the application of Titles 206 and 306 of the Physical Agreement and Title 19 of the Clerical Agreement, Company agrees that should such placements occur, bargaining unit employees in the department and headquarters will not be impacted by demotion, displacement or layoff for the next three years subsequent to the placement of the non-bargaining unit employee into the bargaining unit, unless such employee leaves that headquarters for any reason. Employees at the headquarters in that department during the three year period will not be impacted by demotion, displacement, or layoff, unless such demotion, displacement, or layoff is unrelated to the placement of the non-bargaining unit employee into the bargaining unit, in which event the original non-bargaining unit employee will be affected first if the number of employees in that department and headquarters is being reduced.

Example 1. A Supervisor or exempt employee is returned to Service Representative position in Antioch. The supervisor must be placed in a vacancy as such placement cannot result in a displacement, demotion or layoff.

Example 2. Eight months after the supervisor's return to the bargaining unit another Service Representative bids out of the Antioch headquarters. The headquarters may elect to not fill the vacancy and reduce through attrition.

Example 3. Thirteen months after the supervisor's return to the bargaining unit the Concord Customer Services Department effects a displacement for lack of work and a Service Representative has 19.4 rights into Antioch. Since Antioch is not reducing in the Customer Services Department, the affected Service Representative in Antioch would be the one with the least seniority, which may or may not be the former non-bargaining unit employee (NBU).

Example 4. Fifteen months after the NBU's return to the bargaining unit, Antioch decides to downsize the Customer Services Department by reducing the number of Service Representative by one. Since a reduction is taking place, the NBU is the first to be demoted, displaced, or laid off.

Example 5. At any time the NBU leaves the Antioch Customer Services Department and headquarters for any reason (bid, transfer, displacement), the headquarters and department has returned to status quo and may be reduced through demotion, displacement or layoff.

Explanation: Provides added job security for bargaining unit employees.

Benefit Agreement

PART II PART B -- LONG-TERM DISABILITY

2.14 QUALIFICATION FOR BENEFIT PAYMENTS

The Administrator will normally consider an ill or injured Participant for Long-Term Disability benefits. Participants who are denied Long-Term Disability benefits shall be notified in writing of the reasons for that denial.

A. The determination of disability will be made by the Administrator. In general, a Participant shall be considered disabled if, by reason of injury or illness, said Participant is off work and:

1. Language unchanged

2. the employer is unable to place the Participant in a position commensurate with the Participant's reduced work capabilities. Such placement will be in the highest available classification commensurate with such capabilities and shall be in a classification having a wage rate which produces a take-home income after taxes at least equal to the Participant's Long-Term Disability benefits.

In order to achieve such placement, the Company may require the Participant to accept a job at a headquarters that is within 30 road-miles or 45 minutes' automotive travel time from the Participant's current residence or the residence at the time Participant became disabled, and such Participant is physically able to commute such distance. In addition to the foregoing, the Participant at his option may accept such placement anywhere within the

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Company's system provided that Company pays moving expenses as provided in Section 206.8 of the Physical Agreement or Section 19.8 of the Clerical Agreement or of the Standard Practice on Moving Expenses, as appropriate. (Amended 1/1/8391)

B. Language unchanged.

C. Language unchanged.

Explanation: Modify language to provide that 45 minute's automotive travel time application applied to either the current residence of the residence at the time the participant became disabled.

2.16 AMOUNT OF LONG-TERM DISABILITY BENEFIT PAYMENTS

Benefit payments under this plan . . . to 40 percent of such basic monthly rate. (Amended 1/1/80) [Language unchanged]

A. Language unchanged

1. Except as provided in paragraph 2. or 3. below, one-half of the Participant's primary social security disability insurance benefit (including back-pay awards) if the Participant is qualified for such benefit. It will be assumed that a Participant qualifies for such social security disability insurance benefit until and unless the Participant's claim is specifically rejected. The Administrator will assist Participants in filing claims and social security disability benefits and appealing adverse decisions for such benefits. The Company will not be responsible for any legal expenses incurred by the Participant for filing for Social Security disability benefits. (Amended 1/1/8891)

2. Language unchanged.

3. Language unchanged.

4. Language unchanged.

5. Language unchanged.

6. Language unchanged.

7. Language unchanged.

8. 100% of any payments received from the Company's pension plan.

Benefits for employees who attain part-time or intermittent status on or after January 1, 1991 employees shall be prorated based on the ratio of actual straight-time hours worked in the previous calendar year to the full time hourly equivalent (2,080 hours per calendar year) rounded to the nearest month.

Employees who attained part-time or intermittent status before January 1, 1991 are eligible for coverage with the base rate established on the basis of the previous six months' average straight-time rate.

B. Language unchanged.

Explanation: A.1. Clarify existing practice in which Company is not responsible for legal expenses incurred in filing for Social Security disability benefits. Add language to include pension payments as an offset. Add part-time and intermittent application.

2.19 DURATION OF LONG-TERM DISABILITY BENEFITS

While a participant follows the treatment recommended by their physician, Long-Term Disability benefits will be available until the earliest of the following:

A. Language unchanged.

B. Language unchanged.

C. Language unchanged.

D. Language unchanged.

E. Language unchanged.

F. Language unchanged.

G. Language unchanged.

H. The date on which it is determined that the disabled employee is employed by anyone (including himself) other than employer and such employment provides remuneration of substantial amount in relation to Long-Term Disability benefits. The determination of remuneration of substantial amount for a self-employed Participant will be made by measuring a Participant's income over a period of 12 consecutive months. The term "remuneration of substantial amount" means more than 50 percent of the basic monthly rate of the Participant's regular classification in effect on the last day the Participant worked prior to becoming disabled, plus any adjustments made to the Participant's benefit while on LTD. The term "Participant's income" includes gross wages and commissions and net profit before taxes from self-employment. In order to determine if a Participant is eligible to continue to receive Long-Term Disability benefits, the Participant may be required to submit a verification of earnings.

Failure to provide a verification of earnings within 90 days of request will result in discontinuance of the Participants benefits. (Amended 1/1/91)

I. In no event shall a Participant be entitled to Long-Term Disability benefits and benefits under Part III of this Agreement concurrently unless the participant has reached the age of 70 and 1/2. (Added/Amended 1/1/8091)

Explanation: Add provision indicating participant must follow recommended treatment program set my their physician in order to receive benefits. Add language to limit Company's ability to request verification of earnings.

PART III RETIREMENT PLAN

3.01 INTRODUCTION

Participants who retire or terminate employment before the effective date of any amendment are not affected or benefited by such amendments. (Amended 1/1/91)

Remaining language unchanged.

Explanation: Clarify existing practice.

3.03 SERVICE

(a) The Service of a Participant on any date shall consist of the sum of the following:

(a)(1) Any Credited Service as of December 31, 1975, as defined under the Plan prior to the January 1, 1976, amendment and reproduced in Special Provision F, and

(b)(2) The elapsed time from the first day of employment with an Employer (but not earlier than January 1, 1976) to the Participant's Severance from Service Date, excluding any periods of Break in Service and any Service cancelled by the operation of Sections 3.04 and 3.12, and

(3) prorating service for part-time and intermittent employees in accordance with (b) of this Section 3.03. (Amended 1/1/8791)

(b) For employees who attain part-time or intermittent status at any time on or after January 1, 1991, all Service in which the employee is designated as a part-time or intermittent employee shall be prorated for purposes of benefit accruals based on the ratio of actual straight-time hours worked in the calendar year to the full-time hourly equivalent (2,080 per calendar year) rounded to the nearest month.

Explanation: Add part-time and intermittent employee application for pro-rating benefits.

3.06 BASIC PENSION BENEFIT FORMULA (Amended 1/1/8491)

A Participant whose Service continues to Normal Retirement Date or beyond^{2/} is entitled to a Basic Pension payable on Actual Retirement Date and on the first day of each month thereafter as long as the Participant lives. ^{3/}The monthly amount of the Basic Pension will be the largest of the amounts produced under (a), (b) or (c) below, and the amount so determined shall take the place of all other retirement income to which a Participant might otherwise have been entitled under any suspended Plan of an Employer or predecessor Company.

Explanation: Modify pension band tables to indicate formulas for 1/1/91, 1/1/92 and 1/1/93. Modify language to provide for automatic annual increases to the pension band table. Clean-up remaining language to indicate existing practice. Delete current part-time application.

^{2/} See Section 3.09 for the conditions under which this may occur.

^{3/} See Section 3.10 for the conditions under which other forms of Pension may be substituted for the Basic Pension.

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(a) Pension Band Tables

Basic Weekly Pay as of 1/1/91	Pension Band	Monthly Benefit Per Year of Service
Up to 549.99	1	31.91
550 to 559.99	2	32.49
560 to 569.99	3	33.07
570 to 579.99	4	33.65
580 to 589.99	5	34.23
590 to 599.99	6	34.81
600 to 609.99	7	35.39
610 to 619.99	8	35.97
620 to 629.99	9	36.55
630 to 639.99	10	37.13
640 to 649.99	11	37.71
650 to 659.99	12	38.29
660 to 669.99	13	38.87
670 to 679.99	14	39.45
680 to 689.99	15	40.03
690 to 699.99	16	40.61
700 to 709.99	17	41.19
710 to 719.99	18	41.77
720 to 729.99	19	42.35
730 to 739.99	20	42.93
740 to 749.99	21	43.51
750 to 759.99	22	44.09
760 to 769.99	23	44.67
770 to 779.99	24	45.26
780 to 789.99	25	45.84
790 to 799.99	26	46.42
800 to 809.99	27	47.00
810 to 819.99	28	47.58
820 to 829.99	29	48.16
830 to 839.99	30	48.74
840 to 849.99	31	49.32
850 to 859.99	32	49.90
860 to 869.99	33	50.48
870 to 879.99	34	51.06
880 to 889.99	35	51.64
890 to 899.99	36	52.22
900 to 909.99	37	52.80
910 to 919.99	38	53.38
920 to 929.99	39	53.96
930 to 939.99	40	54.54
940 to 949.99	41	55.12
950 to 959.99	42	55.70
960 to 969.99	43	56.28
970 to 979.99	44	56.86
980 to 989.99	45	57.44
990 to 999.99	46	58.02
1000 to 1009.99	47	58.60
1010 to 1019.99	48	59.18
1020 to 1029.99	49	59.76
1030 to 1039.99	50	60.34
1040 to 1049.99	51	60.92
1050 to 1059.99	52	61.50
1060 to 1069.99	53	62.08
1070 to 1079.99	54	62.66
1080 and up	55	63.24

Basic Weekly Pay as of 1/1/92	Pension Band	Monthly Benefit Per Year of Service
Up to 579.99	1	33.65
580 to 589.99	2	34.23
590 to 599.99	3	34.81
600 to 609.99	4	35.39
610 to 619.99	5	35.97
620 to 629.99	6	36.55
630 to 639.99	7	37.13
640 to 649.99	8	37.71
650 to 659.99	9	38.29
660 to 669.99	10	38.87
670 to 679.99	11	39.45
680 to 689.99	12	40.03
690 to 699.99	13	40.61
700 to 709.99	14	41.19
710 to 719.99	15	41.77
720 to 729.99	16	42.35
730 to 739.99	17	42.93
740 to 749.99	18	43.51
750 to 759.99	19	44.09
760 to 769.99	20	44.67
770 to 779.99	21	45.26
780 to 789.99	22	45.84
790 to 799.99	23	46.42

800 to 809.99	24	47.00
810 to 819.99	25	47.58
820 to 829.99	26	48.16
830 to 839.99	27	48.74
840 to 849.99	28	49.32
850 to 859.99	29	49.90
860 to 869.99	30	50.48
870 to 879.99	31	51.06
880 to 889.99	32	51.64
890 to 899.99	33	52.22
900 to 909.99	34	52.80
910 to 919.99	35	53.38
920 to 929.99	36	53.96
930 to 939.99	37	54.54
940 to 949.99	38	55.12
950 to 959.99	39	55.70
960 to 969.99	40	56.28
970 to 979.99	41	56.86
980 to 989.99	42	57.44
990 to 999.99	43	58.02
1000 to 1009.99	44	58.60
1010 to 1019.99	45	59.18
1020 to 1029.99	46	59.76
1030 to 1039.99	47	60.34
1040 to 1049.99	48	60.92
1050 to 1059.99	49	61.50
1060 to 1069.99	50	62.08
1070 to 1079.99	51	62.66
1080 to 1089.99	52	63.24
1090 to 1099.99	53	63.82
1100 to 1109.99	54	64.40
1110 and up	55	64.98

Basic Weekly Pay as of 1/1/93	Pension Band	Monthly Benefit Per Year of Service
Up to 609.99	1	35.39
610 to 619.99	2	35.97
620 to 629.99	3	36.55
630 to 639.99	4	37.13
640 to 649.99	5	37.71
650 to 659.99	6	38.29
660 to 669.99	7	38.87
670 to 679.99	8	39.45
680 to 689.99	9	40.03
690 to 699.99	10	40.61
700 to 709.99	11	41.19
710 to 719.99	12	41.77
720 to 729.99	13	42.35
730 to 739.99	14	42.93
740 to 749.99	15	43.51
750 to 759.99	16	44.09
760 to 769.99	17	44.67
770 to 779.99	18	45.26
780 to 789.99	19	45.84
790 to 799.99	20	46.42
800 to 809.99	21	47.00
810 to 819.99	22	47.58
820 to 829.99	23	48.16
830 to 839.99	24	48.74
840 to 849.99	25	49.32
850 to 859.99	26	49.90
860 to 869.99	27	50.48
870 to 879.99	28	51.06
880 to 889.99	29	51.64
890 to 899.99	30	52.22
900 to 909.99	31	52.80
910 to 919.99	32	53.38
920 to 929.99	33	53.96
930 to 939.99	34	54.54
940 to 949.99	35	55.12
950 to 959.99	36	55.70
960 to 969.99	37	56.28
970 to 979.99	38	56.86
980 to 989.99	39	57.44
990 to 999.99	40	58.02
1000 to 1009.99	41	58.60
1010 to 1019.99	42	59.18
1020 to 1029.99	43	59.76
1030 to 1039.99	44	60.34
1040 to 1049.99	45	60.92
1050 to 1059.99	46	61.50
1060 to 1069.99	47	62.08
1070 to 1079.99	48	62.66
1080 to 1089.99	49	63.24
1090 to 1099.99	50	63.82
1100 to 1109.99	51	64.40

1110 to 1119.99	52	64.98
1120 to 1129.99	53	65.56
1130 to 1139.99	54	66.14
1140 and up	55	66.72

(i) The Monthly Benefit amount shown in the Pension Band Table times years of Service shall be compiled to the nearest half month.

(ii) The Monthly Benefit Per Year of Service amounts shall continue to reflect any increase of the Participants Basic Weekly Pay which is effective on January first of each year of the Term. (Amended 1/1/8491)

(iii) On the effective date of any Retirement Plan Agreement and on every January first thereafter during the term of this Agreement, each Each active employee on Actual Retirement Date, or active employee terminating employment with a vested Plan benefit on Severance from Service date shall be placed in a pension band which reflects the Participant's straight time rate of pay for the basic work week as of January first or the top rate of pay for the employee's basic classification as of January first, whichever is greater, not including any temporary upgrade pay, any premium pay or any benefits of any kind. This rate of pay will be increased by 2.75% for all clerical employees who receive the 1988 Lump Sum payments; or by 3.75% for clerical employees who receive the 1988 and 1989 Lump Sum payments, in accordance with the Clerical Agreement. (Amended 1/1/8891.)

(iv) The minimum Basic Weekly Pay amount in (a) above shall be adjusted to reflect the general wage increase which is effective on January first of each year of the term. (Amended 1/1/8491)

3.06 BASIC PENSION BENEFIT FORMULA (Amended 1/1/8491)

(1)(v) ADDITIONAL RETIREMENT INCOME

Each Participant shall upon retirement, in addition to the monthly pension benefit provided for in Subsection 3.06(a) above, be entitled to additional monthly Pension income, as computed below, for shift premiums, Sunday premiums, and nuclear premiums.

Additional Retirement Income is computed as follows:

The actual straight-time compensation received by Participant for shift premiums, Sunday premiums, and nuclear premiums during Participant's last calendar year prior to retirement shall be totaled and divided by the total number of weeks worked in that year. (52 weeks in a year) which will result in an average premium per week. In computing the actual straight-time compensation, that portion of a Participant's annual compensation which, when added to the Participant's Basic Weekly Pay exceeds \$200,000 for 1989, multiplied by the adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Internal Revenue Code for years beginning after December 31, 1989, shall be discarded in calculating Additional Retirement Income. The average premium per week will then be multiplied by the current factor which will result in a monthly benefit per year of Service amount. The factor referred to is computed on the effective date of any Plan agreement by dividing applicable first year Monthly Benefit Per Year of Service amount by the maximum Basic Weekly Pay provided for that monthly amount. For example, assuming the 19891991 Pension Band 1511 applies to a Participant who retires in any year of the contract term, the factor would be .05802 (\$36.55 ÷ \$629.99). The monthly benefit per year of Service amount will then be multiplied by the Participant's credited years of Service which will result in the Additional Monthly Retirement Income.

(2) PART-TIME EMPLOYEES

The monthly Pension of a Participant whose entire Service has been spent as a Part-time Employee or Intermittent Employee shall be computed as follows: On Actual Retirement Date, the Participant's Pension Band shall be the one which encompasses the maximum Basic Weekly Pay, on the Plan's most recent effective date, for Participant's current classification. The annual average of hours paid to Participant over the three-year period immediately preceding Participant's Actual Retirement Date shall be determined and then divided by 2,080 (the number of work hours in a year) in order

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to determine the proportion of full-time hours worked. The resulting proportion shall be multiplied by the Participant's total Service, and the resulting reduced amount of Service shall be multiplied by the Participant's Pension Band amount.

(3) The monthly Pension of a Participant who, on Actual Retirement Date, is a Part-time Employee or an Intermittent Employee, and who also has Service as a full-time Employee, or who, immediately preceding Actual Retirement Date, has been a full-time Employee for less than three years and who also has Service as a Part-time Employee or Intermittent Employee shall be the greater of the benefit computed as in Subsection 3.06(a)(2) above, or by using a combination of Participant's Service as a full-time Employee multiplied by the Pension Band amount in effect for Participant's classification on the last day worked as a full-time Employee plus Participant's part-time or intermittent Service as computed in Subsection 3.06(a)(2) above.

(4) The monthly Pension benefit of a Participant who is a full-time Employee during at least the three-year period immediately preceding Actual Retirement Date shall be computed as though all Service had been earned at full-time status.

(b) Language unchanged.

(c) Language unchanged.

(d) Language unchanged.

3.10 FORMS OF PENSION

(a) Language Unchanged.

(b) JOINT PENSION WITH SPOUSE

For a Participant who is married on the Actual Retirement Date, the normal form of Pension shall be a Marital Pension, reducing the amount of the Participant's Basic Pension and providing that on the Participant's death one-half of such Marital Pension will be continued to the Spouse for the remainder of the Spouse's life.

In lieu of the Marital Pension, a married Participant, by giving the Employer at least 30 days' advance written notice prior to Actual Retirement Date, may elect one of the following options:

(1) a Joint Pension with Spouse which provides that an amount less than one-half or more than one-half equal to either 25, 75 or 100 percent of a reduced Basic or Early Retirement Pension will, upon the Participant's death, be continued for the remainder of the Spouse's life, or

(2) a Special Joint Pension with Spouse which provides an amount of one-half or 100 percent of a reduced Basic or Early Retirement Pension that, upon the Participant's death, will be continued for the remainder of the Spouse's life. However, if the Spouse predeceases the Participant, future Pension payments will be restored to the amount of the full Basic or Early Retirement Pension that the Participant would be entitled to receive if no Special Joint Pension with Spouse had been elected.

Marital Pensions and Joint Pensions with Spouse shall be determined in accordance with an actuarial formula which is set forth in Special Provision D. Special Provision D also includes tables of factors which apply to typical options which may be elected.

Special Joint Pensions with Spouse shall also be determined in accordance with the actuarial formula which is set forth in Special Provision D, but actuarially adjusted further to reflect the value of the restoration feature. Provision D also includes tables of the factors which apply to Special Joint Pension options that may be elected.

(c) Language Unchanged.

(d) Language Unchanged.

Explanation: Add a "pop-up" option for joint pension which could apply in the event the spouse's death precedes the retiree, pension benefits would be restored to the full amount. Calculation tables to be provided.

Explanation: Add a "pop-up" option for joint pension which could apply in the event the spouse's death precedes the retiree, pension benefits would be restored to the full amount. Calculation tables to be provided.

3.14 FACILITY OF PAYMENT

(a) If the amount present value of the Pension payable under the Plan to any individual is less than \$10 per month \$3,500.00 as of the date of Severance from Service or Actual Retirement Date the equivalent value may shall be paid in quarterly, semi-annual or annual amounts or in a lump sum (if the present value of the Pension does not exceed \$3,500.00), as directed by the Administrator. In determining the present value, the Plan Administrator shall use the interest rate set, as of the first day of the Plan year in which the lump sum payment is made, by the Pension Benefit Guaranty Corporation for the purpose of determining the present value of a lump sum distribution on plan termination.

(b) If the Administrator determines that any individual entitled to any payment under the Plan is physically or mentally incompetent to handle the payment and no guardian or conservator has been appointed to receive such payment, the Administrator may cause all payments thereafter becoming due to such individual to be applied for and on behalf of and for the benefit of such

individual. Payments made pursuant to this provision shall completely discharge the Employer, the Administrator, the Trustee, and all fiduciaries of all further responsibility with respect to such individual.

(Amended 1/1/8991)

Explanation: Add language which provides for a possible pension benefit distribution if the participant has a balance of \$3,500 or less upon severance from service or upon actual retirement date.

3.20 CLAIMS PROCEDURE

If a claim is denied in whole or in part, the Administrator shall furnish to the claimant a written notice setting forth:

(a) Specific reason(s) for the denial,

(b) The Plan provision(s) on which the denial is based,

(c) A description of any material or information, if any, necessary for the claimant to perfect the claim, and an explanation of why such material or information is necessary, and

(d) Information concerning the steps to be taken if claimant wishes to submit a claim for review.

The above information shall be furnished to the claimant within 60 90 days after the claim is received by the Administrator. (Amended 1/1/91)

If a claimant is not satisfied with the written notice described in the preceding paragraph, such claimant may request a full and fair review by so notifying the Administrator in writing within 90 days after receiving such notice. If a review is requested the claimant shall also be entitled, upon written request, to review pertinent documents and to submit issues and comments in writing. The Employee Benefit Administrative Committee shall furnish the claimant with a written final decision within 30 60 days after receipt of the request for review. (Amended 1/1/91)

Final paragraph unchanged.

Explanation: Modified response time to claimant in the event of a denial (as allowable under ERISA).

3.22 DEFINITIONS AND CROSS-REFERENCE

BASIC WEEKLY PAY: See Section 3.06(a) (ii), (iii), (iv).

(a) If an Employee's pay rate is changed in accordance with the provisions of Section 204.4 or 304.4 of the Physical Agreement, or Section 13.5 of the Clerical Agreement, or Section 15.2 of the ESC Agreement, during the term of this Agreement, Employee's Basic Weekly Pay shall be the rate established on the first day of such change. An Employee who has at least 10 years or more of Service and who, due to a lack of work situation, or due to physical disability, is demoted, transfers or bids down during a period up to five years immediately preceding Participant's Actual Retirement Date, but not to exceed three years with at least 10 but less than 20 years of Service, not to exceed four years with at least 20 but less than 30 years of Service, and not to exceed five years with at least 30 years of Service, or more, shall be placed in the Pension Band which provides the greater monthly pension benefit of the following: The Pension Band in effect on Actual Retirement Date for either Participant's former classification held prior to such demotion, transfer or bid-down, or the Pension Band of the Participant's current classification. (Amended 1/1/8491.)

(b) Language unchanged.

(c) Language unchanged.

EMPLOYER: Pacific Gas and Electric Company, Standard Pacific Gas Line Incorporated, Pacific Gas Transmission Company, Pacific Service Employees Association, PG&E Enterprises, Pacific Gas Properties Company, Calaska Energy Company, Eureka Energy Company, Natural Gas Corporation of California, Pacific Energy Services Company, and any other company, association, or credit union designated by the Board of Directors as eligible to participate in this Plan is an Employer. (Amended 1/1/8991)

PRIMARY SOCIAL SECURITY BENEFIT: The primary insurance amount as defined in Federal law and in effect on the Actual Retirement Date. In making this computation, it will be assumed that the Participant will have no further earnings after termination of Service. (Amended 1/1/81.)

SERVICE: For full-time employees, the period of time commencing with the first day of work for an Employer and ending on Participant's Severance from Service Date. For periods of part-time and intermittent employment, service for purposes of benefit accrual is prorated based on the ratio of actual hours worked in the calendar year to the full-time equivalent (2,080 per calendar year) rounded to the nearest month. Such proration is applicable for any employment period beginning with initiation of part-time or intermittent status on or after January 1, 1991, and ending on the earlier of Participant's return to full time status or the Participant's Severance from Service Date. The method of computing Service is described in Section 3.03.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

SEVERANCE FROM SERVICE DATE: (Amended 1/1/8991) (i) The date prior to Normal Retirement Date on which an Employee quits, retires, is discharged or dies, or the Actual Retirement Date; or (ii) The first anniversary of the first date of a period in which a Participant remains absent from work for an Employer for any reason other than a quit, retirement, discharge, or death.

For the purpose of determining the Severance from Service Date, the following periods shall not be considered as absences from work for an Employer:

- (a) Language unchanged.
- (b) Language unchanged.
- (c) Language unchanged.

(d) Absence caused by layoff for lack of work of less than one continuous year 12 continuous months for a Participant who has less than five years of service, or 24 continuous months for a Participant who has five or more years of service caused by layoff for lack of work. (Amended 1/1/91)

Explanation: Delete PG&E Enterprises and Natural Gas Corporation of California from employer listing since they are not participants in the plan. Delete reference to Primary Social Security benefit since it is no longer applicable to the plan. Add part-time and intermittent employee application for pro-rating benefits.

SPECIAL PROVISION G PENSION AND LTD ADJUSTMENTS (Amended 1/1/8491)

(a) Effective December 31, 198490, the Pension of any Participant who actually retired from the bargaining unit represented by Union or the Pension of a person receiving a Spouse's Pension or a Joint Pension, will be increased as follows:

	Increase
Retired on or before 12/31/68	10.0%
Retired between 1/1/69 and 12/31/80	6.0%
Retired between 1/1/81 and 12/31/82	2.5%
Retired on or before 12/31/85	8.0%
Retired between 1/1/86 and 12/31/86	6.0%
Retired between 1/1/87 and 12/31/87	5.0%
Retired between 1/1/88 and 12/31/88	2.5%

A minimum monthly increase of \$50 will be provided to retirees with at least 30 years of service, and a retirement date at or after age 65. A minimum monthly increase of \$25 will be provided to surviving spouses of such retirees.

(b) Effective December 31, 1986, the Pension of any Participant who actually retired from the bargaining unit represented by Union or the Pension of a person receiving a Spouse's Pension or a Joint Pension, will be increased as follows:

	Increase
Retired on or before 12/31/68	10.0%
Retired between 1/1/69 and 12/31/80	6.0%
Retired between 1/1/81 and 12/31/84	2.5%

(c)(b) The above adjustments shall apply to those Participants who are receiving Long-Term Disability Benefit payments. (Added 1/1/84)

(d)(c) By Company resolutions dated June 17, 1964, February 25, 1969, April 9, 1974, September 20, 1977, and March 4, 1980, July 15, 1981, and December 21, 1983 the amounts of pensions received by certain pensioners were increased in accordance with the provisions of said resolutions. The money required to fund these additional payments is based on actuarial factors and the required contributions are paid into the Plan. The Company intends to continue making these additional payments out of Plan assets and on the same basis as it has done in the past. (Amended 1/1/91)

Explanation: Provides for an increase in monthly benefit for all pensioners and LTDers effective December 31, 1990.

BENEFIT AGREEMENT PART IV SAVINGS FUND PLAN

(Entire Plan* Amended 1/1/8891)

This is the controlling and definitive statement of the Pacific Gas and Electric Company Savings Fund Plan for Non-Management Employees' in effect on and after January 1, 198891. The Plan, which covers Eligible Employees of the Company and other Employers, is a further revision of the one originally placed in effect by the Company as of April 1, 1959. It has since been amended from time to time. The Plan as amended may be further amended retroactively in order to meet applicable rules and regulations of the Internal Revenue Service, the United States Department of Labor and all other applicable rules and regulations.

4.02 PARTICIPATION

To become a participant, an Eligible Employee must submit a completed Application Form to the Plan Administrator. In Through the Application Form, the Eligible Employee:

- (1) authorizes the Employer to reduce his Covered Compensation by a stated percentage and to contribute such amount to the Plan as a 401(k) Contribution; and/or
- (2) elects to make Non-401(k) Contributions, if any, to the Plan; and
- (3) instructs the Plan Administrator as to the manner in which employee contributions are to be invested.

Explanation: Change form to application.

4.03 EMPLOYEE CONTRIBUTIONS

To become a contributing participant, an Eligible Employee must make 401(k) Contributions, Non-401(k) Contributions, or a combination of both, to the Plan through payroll deduction. 401(k) Contributions are eligible for matching Employer Contributions as described in Subsection 4.03(a)(1) below; Non-401(k) Contributions are not eligible for matching Employer Contributions. (Amended 1/1/8991)

All contributions withheld by the Employer from Covered Compensation are paid over to the Trustee, unconditionally credited to the participant's account and invested in accordance with the participant's instructions.

(a) 401(k) CONTRIBUTIONS

A 401(k) Contribution is an election to defer the receipt of a specified whole percentage of Covered Compensation which would otherwise be currently payable to a participant. The Employer shall reduce the participant's Covered Compensation by an amount equal to the percentage of the 401(k) Contribution elected by the participant. Under current law, 401(k) Contributions deferred by a participant under the Plan are not subject to federal or state income tax until actually withdrawn or distributed from the Plan.

(Amended 1/1/88)

(1) 401(k) Contributions are eligible for matching Employer Contributions as described in Section 4.04. Although a participant may elect to defer up to 14 percent of Covered Compensation to the Plan, the maximum amount of a participant's 401(k) Contributions eligible for matching Employer Contributions shall be one of the following percentages of Covered Compensation:

(i) zero percent, with at least one year but less than three years of Service; or (Amended 1/1/88)

(ii) up to 3 percent, with at least three but less than five years of Service; or

(iii) up to 4 percent, with at least five but less than 10 years of Service; or

(iv) up to 5 percent, with at least 10 but less than 15 years of Service; or

(v) up to 6 percent, with at least 15 years of Service.

(vi) for a participant who is absent from work and receiving temporary compensation under any state Worker's Compensation Law or under the Company's Long-Term Disability Plan, the larger of:

a) the maximum percentage calculated under (i), (ii), (iii), (iv), or (v), whichever is applicable; or (Amended 1/1/88)

b) the dollar amount which was eligible for matching Employer Contributions immediately before the participant's absence began.

(b) NON-401(k) CONTRIBUTIONS

Non-401(k) Contributions differ from 401(k) Contributions in that a participant has already paid taxes on the amounts contributed to the Plan. All Employee Contributions made to the Plan as it existed prior to October 1, 1984, are considered to be Non-401(k) Contributions and are so recorded in the accounts maintained by the Plan Administrator. Non-401(k) Contributions are not matched by Employer Contributions.

Non-401(k) Contributions must be made in whole percentages of Covered Compensation, and the sum of all 401(k) Contributions and Non-401(k) Contributions made by a participant may not exceed 14 percent of the participant's Covered Compensation.

(c) CHANGING CONTRIBUTIONS

By appropriate Notice submitting a completed Application to the Plan Administrator, a participant may direct the Plan Administrator to cease or resume making contributions, or to change the rate of contributions. Any such change shall become effective within 30 days of receipt by the Plan Administrator of any appropriate, correctly completed Notice Application. (Amended 1/1/8891)

Explanation: Modify application to provide matching employer contributions for both 401(k) and Non-401(k) contributions.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

4.04 EMPLOYER CONTRIBUTIONS

(a) Each and every time that participants make 401(k) or Non-401(k) Contributions eligible for matching Employer Contributions, the Company shall make a matching Employer Contribution to the Plan in cash or in whole shares of Company Stock, or partly in both. Matching Employer Contributions shall be limited to an amount equal to one-half of the aggregate participant 401(k) Contributions eligible for matching Employer Contributions under the provisions of Subsection 4.03(a)(1)/4.04(a)(1). The Company shall charge to each Employer its appropriate share of matching Employer Contributions. (Amended 1/1/8891)

(1) Both 401(k) and Non-401(k) Contributions are eligible for matching Employer Contributions. Although a participant may elect to defer up to 14 percent of Covered Compensation to the Plan, the maximum amount of a participant's Contributions eligible for matching Employer Contributions shall be one of the following percentages of Covered Compensation:

- (i) zero percent, with at least one year but less than three years of Service; or
- (ii) up to 3 percent, with at least three but less than five years of Service; or
- (iii) up to 4 percent, with at least five but less than 10 years of Service; or
- (iv) up to 5 percent, with at least 10 but less than 15 years of Service; or
- (v) up to 6 percent, with at least 15 years of Service.

(vi) for a participant who is absent from work and receiving temporary compensation under any state Worker's Compensation Law or under the Company's Long-Term Disability Plan, the larger of:

- a) the maximum percentage calculated under (i), (ii), (iii), (iv), or (v), whichever is applicable; or
- b) the dollar amount which was eligible for matching Employer Contributions immediately before the participant's absence began.

(b) Language unchanged.

4.06 SELECTION OF INVESTMENT FUNDS

(a) Language unchanged.

(b) NON-401(k) CONTRIBUTIONS. A participant who is also making Non-401(k) Contributions to the Plan shall direct the Plan Administrator to invest his Non-401(k) Contributions in one or more Investment Funds. A participant's directions as to the investment of participant Non-401(k) Contributions shall be separate and distinct from investment directions given for 401(k) Contributions. The minimum amount of Non-401(k) Contributions which may be invested in any single Fund shall be twenty percent of a participant's current Non-401(k) Contributions to the Plan. A participant may elect to invest more than the minimum amount in any Investment Fund, provided that any such increase must be in increments of five percent of the participant's current Non-401(k) Contributions.

(c) CHANGE OF INVESTMENT FUND ALLOCATIONS. By submitting the appropriate Notice Form to the Plan Administrator, a participant may (1) change the percentage levels of future employee contributions which are to be allocated to any Investment Fund or Funds or, (2) change the Investment Funds in which his future employee contributions are to be invested. A participant shall be permitted to make one such change in any Calendar Quarter.

Explanation: Clarify current procedure.

4.08 UNITED STATES BOND FUND

This Fund is maintained for the purpose of investing employee contributions in United States Bonds. This Fund also holds all Bonds attributable to participant contributions made to the Basic Fund of the Plan as it existed prior to April 1, 1984. Income from Bonds is reflected in the greater redemption values of the Bonds. Bonds held in this Fund cannot be transferred to another Investment Fund under the transfer provisions of Section 4.12.

Effective July 1, 1991, the U.S. Bond Fund will no longer accept employee contributions. Bonds purchased to date with employee contributions will continue to be held in the Plan until a distribution is requested by the employee in accordance with current plan provisions. (Amended 1/1/91)

Explanation: Eliminate current application effective July 1, 1991 since there is no tax advantage in purchasing bonds through the plan. Employees have the option to purchase U.S. bonds through the payroll department.

4.10 MONEY-MARKET INVESTMENT FUND (MIF)

This Fund is maintained for the purpose of investing employee contributions in short-term obligations, such as government bonds and certificates of deposit. The MIF Investment Manager directs the day-to-day investment of the Fund.

Employee contributions to this Fund are paid over to the Trustee and invested in accordance with instructions received from the MIF Investment Manager. The account of each participant is credited with the appropriate number of MIF Units purchased with his contributions, the cost of all Units credited to the participant's account, less any withdrawals or transfers from the Fund.

(a) COST OF MIF UNITS. The cost of a MIF Unit shall be the current value of a Unit as determined by the MIF Investment Manager as of the valuation date immediately preceding the date that the Trustee invests a participant's contributions in the Fund.

(b) VALUE OF MIF UNITS. The value of a MIF Unit was \$1.00 as of January, 1988. The value of an MIF unit is the value of the fund assets as determined from time to time by the MIF Investment Manager (but no less frequently than once a month), less liabilities (other than the interests of participants in the Fund), divided by the number of MIF Units. Interest in this fund is measured in \$1.00 units.

The cost and value of a MIF Unit is \$1.00. Interest in this fund is measured in \$1.00 units, and is posted to your account weekly.

Effective July 1, 1991, MIF will be eliminated from the plan. Participant contributions remaining in the MIF after this date automatically are transferred to the GIF Fund unless the Plan Administrator receives alternate instructions before this date. (Amended 1/1/91)

Explanation: Eliminate current application effective July 1, 1991. Contributions in the fund on July 1, 1991 will automatically be transferred into the Guaranteed Income Fund (GIF).

4.11 GUARANTEED INCOME FUND (GIF)

This Fund is maintained to invest employee contributions in contracts which offer a fixed rate of interest rate of interest guaranteed by the issuer for a specified period of time.

For employee contributions made to the GIF before April 1, 1990, the conditions applicable to this Fund will vary varied in accordance with the terms of the contract in effect at the time a participant invests invested his contributions in the GIF. For example, withdrawal provisions, the applicable rate of interest, the period in which contributions may be made, and the length of the contract are all terms which are were subject to negotiation and market conditions. Participants who are interested in investing their contributions in the GIF should obtain a description of the current GIF contract terms from the Savings Fund Plan Office.

Employee contributions made to the GIF on or after April 1, 1990, are invested in a portfolio of contracts in which each contract offers a guaranteed rate of interest for a specified period of time. The GIF Investment Manager directs the day-to-day investment of the Fund. The blended interest earned on all contracts held in the portfolio is posted weekly to your account. (Amended 1/1/91)

Explanation: Modify language to indicate current practice and changes which were applied to the GIF on April 1, 1990.

4.12 MARKETABLE BOND FUND (MBF)

(Added 1/1/91 to be effective 7/1/91)

This Fund is maintained for the purpose of investing employee contributions in a diversified portfolio consisting principally of marketable fixed-income securities. At no time shall the MBF be invested in securities issued or guaranteed by the Company or any of its subsidiaries. The MBF Investment Manager directs the day-to-day investment of the MBF.

Employee contributions to this Fund are paid over to the Trustee and invested in accordance with instructions received from the MBF Investment Manager. A participant's account is credited with the number of MBF Units purchased with his contributions.

(a) COST OF MBF UNITS. The cost of an MBF Unit shall be the current value of a Unit as determined by the Trustee as of the valuation date immediately preceding the date that the Trustee invests a participant's contributions in the Fund.

(b) VALUE OF MBF UNITS. The value of an MBF Unit is the value of the MBF assets, as determined from time to time by the Trustee (but no less frequently than once a week), less any liabilities (other than the interests of participants in the Fund), divided by the number of MBF Units. Each payment into the Fund of employee contributions shall increase, and each payment out of the Fund shall decrease the number of MBF Units by a number equal to the amount of the payment divided by the last Unit value determination immediately preceding the date of payment.

Explanation: Add new application for a diversified portfolio consisting principally of marketable fixed-income securities. Investments will be through government and corporate bonds. Effective date of new fund will be July 1, 1991.

4.13 INTERNATIONAL EQUITY FUND (IEF) (Added 1/1/91 to be effective 7/1/91. All subsequent Sections renumbered.)

This Fund is maintained for the purpose of investing employee contributions in a diversified portfolio consisting principally of equity securities of firms domiciled in non-U.S. countries. At no time shall the IEF be invested in securities issued or guaranteed by the Company or any of its subsidiaries. The IEF Investment Manager directs the day-to-day investment of the IEF.

Employee contributions to this Fund are paid over to the Trustee and invested in accordance with instructions received from the IEF Investment Manager. A participant's account is credited with the number of IEF Units purchased with his contributions.

(a) COST OF IEF UNITS. The cost of an IEF Unit shall be the current value of a Unit as determined by the Trustee as of the valuation date immediately preceding the date that the Trustee invests a participant's contributions in the IEF.

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(b) VALUE OF IEF UNITS. The value of an IEF Unit is the value of the assets, as determined from time-to-time by the Trustee (but no less frequently than once a week), less any liabilities (other than the interests of participants in the Fund), divided by the number of Units. Each payment into the Fund of employee contributions shall increase, and each payment out of the Fund shall decrease the number of IEF Units by a number equal to the amount of the payment divided by the last Unit value determination immediately preceding the date of payment.

Explanation: Add new application for a diversified portfolio consisting principally of equity securities of firms domiciled in non-U.S. countries. Effective date of new fund will be July 1, 1991.

4.124.14 TRANSFER OF INVESTMENT FUND BALANCES

Participants may elect to transfer Investment Fund Units attributable to their own contributions, plus the earnings thereon, to another Investment Fund or Funds. A participant may make only one such election in a 12-month period with respect to his 401(k) Contributions and one such election in a 12 month period with respect to his Non-401(k) Contributions shall be permitted to make one such change in any calendar quarter. Investment Fund Units attributable to Employer Contributions, plus earnings thereon, may not be transferred.

(a) COMPANY STOCK FUND -- DIVERSIFIED EQUITY FUND -- MONEY-MARKET INVESTMENT FUND ELIGIBLE TRANSFERS BETWEEN FUNDS. By submitting the appropriate Notice transfer Form to the Plan Administrator, a participant may transfer all or a portion of the Units held in any Investment Fund (other than the Bond Fund or the GIF) to another Fund or Funds, except as follows:

(1) Units held in the U.S. Bond Fund are not eligible for transfer to any other Fund. Effective July 1, 1991 transfers cannot be made from another Fund to the U.S. Bond Fund.

(2) GIF Units attributable to employee contributions or transfers into the GIF before April 1, 1990 are not eligible for transfer to other Funds until the expiration of the applicable contract.

(3) GIF Units attributable to employee contributions or transfers into the GIF on or after April 1, 1990 are transferable to any other Fund except the Money Market Investment Fund.

A transfer from one Fund to another Fund shall be in a minimum amount of twenty percent of the number of Units held in the Fund from which the transfer is made. A participant may elect to transfer more than twenty percent of the Units held in any Fund to another Fund, provided, however, that any such greater amount must be in increments of five percent of the number of Units held in the Fund from which the transfer is made.

Upon receipt of the Notice to transfer Form, the Trustee shall value the Units to be transferred from the Fund and convert the Units to cash. The Fund account of the participant shall be debited with the number of Units transferred from that Fund and the Trustee shall purchase with the cash proceeds realized from the converted Units, Units in the appropriate Fund or Funds, as designated by the participant. The cost of the Units purchased shall be the value of the Fund Units as determined on the date of transfer, and the number of Units purchased shall be credited to the appropriate Investment Fund account of the participant.

(b) Language unchanged.

4.134.15 PARTICIPANT ACCOUNTS

Language unchanged.

4.144.16 ACCOUNT STATEMENTS

Language unchanged.

4.154.17 WITHDRAWAL DURING SERVICE (Entire Section Amended 1/1/8991)

Except as provided in this section, withdrawals of any part of a participant's interest in the Plan are not permitted as long as Service continues. A participant may never replace in the Trust Fund any Units or cash which have been withdrawn. By submitting a withdrawal Notice Form, a participant may make withdrawals as provided below:

(a) 401(k) CONTRIBUTIONS

(1) Language unchanged.

(2) Language unchanged.

(3) A participant who withdraws Units under Subsection 4.15 4.17(a) will automatically be suspended from the Plan and will not be permitted to resume making contributions to the Plan for six months following the date upon which the withdrawal Notice Form is received processed by the Plan Administrator. After suspension ends, contributions may be resumed by submitting a new Application form.

(b) Language unchanged.

(c) EMPLOYER CONTRIBUTIONS

(1) Language unchanged.

(2) Language unchanged.

A participant shall submit the appropriate Form a Notice to the Savings Fund Plan directing the Plan Administrator as to the amount of the withdrawal and the manner in which the withdrawal is to be allocated among the Investment Funds. Distribution will be made as soon as practicable after receipt of Notice of withdrawal Form. Upon each withdrawal, the Units credited to the appropriate Fund or Funds will be reduced by the number of Units withdrawn. Withdrawals from the Bond Fund can only be made in United States Bonds. Withdrawals from the Company Stock Fund may be made in cash or whole shares of stock at the election of the participant. Withdrawals of DEF, MIF or GIF Units will be made in cash at the then current value of the Units; or, at the election of the participant, the Units will be transferred to the Company Stock Fund pursuant to Section 4.1214 and distribution will be made in whole shares of Company Stock.

Explanation: Modify language to clarify existing practice.

4.154.17 WITHDRAWAL DURING SERVICE

(d) ORDERING OF WITHDRAWALS

Whenever the Plan Administrator is required to make a distribution under this Section 4.15 4.17 or Section 4.18, the Plan Administrator shall first withdraw Units and earnings thereon attributable to a Participant's Non-401(k) Contributions made prior to 1987, followed by Units and earnings thereon attributable to Non-401(k) Contributions made after 1986, followed by Company Stock withdrawable under Subsection 4.15(c)(1) 4.17(c)(1) followed by Company Stock withdrawable under Subsection 4.15(c)(2) 4.17(c)(1), but only if available for withdrawal under that subsection, followed by Units and earnings thereon attributable to a Participant's 401(k) Contributions, but only to the extent that such Units can be withdrawn by the Participant under Subsection 4.15(a) 4.17(a). (Amended 1/1/91)

Explanation: Modify language to clarify existing practice. Renumber pertaining sections.

4.16 4.18 TERMINATION OF PARTICIPATION

If Service ends by retirement under the Company's Retirement Plan, participation nevertheless continues through the last day of the Year in which the participant retires. However, if the participant wants participation to end as of retirement date, Notice must be given at least one month in advance of the retirement date. If Service is ended by death, participation continues through the last day of the Year in which death occurs. However, by giving Notice, the Beneficiary may elect to have participation end by submitting a withdrawal form before the end of the Year in which death occurred. If Service is ended by any cause other than retirement or death, participation will automatically end on the termination date. Although participation may continue for some months after Service ends, a participant may not contribute to the Plan after Service ends, except that contributions to the Plan will be accepted with respect to retroactive wage payments.

Participation in the Plan ends as of the date that a participant ceases to be an Eligible Employee. Although a former participant may elect to have an account balance held in the Plan under Section 4.19 after participation ends, a former participant may not contribute to the Plan, except that contributions to the Plan will be accepted with respect to retroactive wage payments. Upon submission of the appropriate Form(s) to the Plan Administrator, a former Participant who has an account balance in the Plan may make withdrawals from the account balance, and transfer from one or more Funds to another Fund or Funds pursuant to the terms of the Plan. (Amended 1/1/91)

Explanation: Modify language to clarify existing practice.

4.174.19 DISTRIBUTION OF PLAN BENEFITS

Upon termination of participation, a distribution shall be made of the balances allocated to a participant's accounts if the value of the participant's account is \$3,500 or less. Such distribution shall be made no later than the 60th day following the close of the Plan Year in which participation terminates, unless the participant elects to receive distribution at an earlier date. If the value of a participant's account exceeds \$3,500, distribution will be made upon receipt by the Plan Administrator of the prior written consent written distribution request of the participant. Distribution will therefore be made within 60 days of the receipt of such Written Consent distribution request. Prior to distribution, a participant shall not be entitled to contribute to the Plan or to transfer Investment Fund balances. Any provision of the Plan notwithstanding, if participation continues beyond the end of the Year in which the participant attains age 70-1/2, distribution of the participant's entire interest in the Plan shall be made no later than April 1 of the Year following the Year in which the participant attains age 70-1/2. (Amended 1/1/8991)

All distributions due under the Plan shall be payable only out of the Plan's Assets as directed by the Administrator. Unless a cash distribution is requested the Trustee will distribute a certificate for the whole shares of Company Stock, the United States Bonds, and the Trustee's check for the then current value of all other Units credited to the participant's account, plus any uninvested cash. Alternatively, at the direction of the participant, Fund Units other than U.S. Savings Bonds DEF, MIF or GIF Units may be transferred to the Company Stock Fund pursuant to Section 4.124 and distribution will be made in whole shares of Company Stock. (Amended 1/1/8991)

If a participant elects a cash distribution, upon receipt of Notice to that effect the appropriate Form requesting such distribution, the Trustee will sell the Company Stock on the open market

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and distribute the cash proceeds less brokerage commissions, together with the then current value of the Investment Fund Units and uninvested cash. Until the Trustee sells Company Stock or converts Investment Fund Units to cash, all Units shall continue to share in investment gains and losses. Distributions from the Bond Fund can only be made in United States Bonds. (Amended 1/1/89)

Explanation: Modify language to clarify existing practice.

ADMINISTRATIVE PROVISIONS

4.184.20 COMPANY'S POWERS AND DUTIES

Language unchanged.

4.194.21 FUNDING AND INVESTMENT PROVISIONS

Language unchanged.

4.204.22 ADMINISTRATION

Language unchanged.

4.214.23 CLAIMS AND APPEALS PROCEDURE

If a claim is denied in whole or in part, the Administrator shall furnish to the claimant a written notice setting forth:

(a) Specific reason(s) for the denial,

(b) the Plan provision(s) on which the denial is based,

(c) a description of any material or information, if any, necessary for the claimant to perfect the claim, and an explanation of why such material or information is necessary, and

(d) information concerning the steps to be taken if claimant wishes to submit a claim for review.

The above information shall be furnished to the claimant within 6090 days after the claim is received by the Administrator. (Amended 1/1/91)

If a claimant is not satisfied with the written Notice described in the preceding paragraph, such claimant may request a full and fair review by so notifying the Administrator in writing within 90 days after receiving such Notice. If a review is requested the claimant shall also be entitled, upon written request, to review pertinent documents and to submit issues and comments in writing. The Employee Benefit Administrative Committee shall furnish the claimant with a written final decision within 3060 days after receipt of the request for review. (Amended 1/1/91)

Alternatively, a participant who is a member of a bargaining unit under any Collective Bargaining Agreement between an Employer and any Union may use the grievance or adjustment procedure of the appropriate Collective Bargaining Agreement to resolve any dispute concerning any question of Service, status or membership under the Plan.

Explanation: Modified response time to claimant in the event of a denial (as allowable under ERISA).

4.22 4.24 LOST PARTICIPANT OR BENEFICIARY

Language unchanged.

4.23 4.25 BENEFITS ARE NOT ASSIGNABLE

Language unchanged.

4.24 4.26 FACILITY OF PAYMENT

Language unchanged.

4.25 4.27 FUTURE OF THE PLAN

Language unchanged.

4.26 4.28 DEFINITIONS

APPLICATION FORM:

A form prepared by the Administrator which must be completed by an Eligible Employee to become a participant, or by a Participant to suspend participation, or change future contributions.

EMPLOYEE BENEFIT ADMINISTRATIVE COMMITTEE:

Employee Benefit Administrative Committee referred to in Section 4.2022.

EMPLOYEE BENEFIT

The Employee Benefit Finance Committee

FINANCE COMMITTEE

referred to in Section 4.1921.

EMPLOYER:

Pacific Gas and Electric Company, Standard Pacific Gas Line Incorporated, Pacific Gas Transmission Company, Pacific Service Employees Association, Pacific Gas Properties Company, Calaska Energy Company, Eureka Energy Company, Natural Gas Corporation of California, PG&E Enterprises, Pacific Energy Services Company, and any other company, association, or credit union designated by the Board of Directors as eligible to participate in this Plan is an Employer.

FUND:

The Company Stock Fund, the Bond Fund, the Diversified Equity Fund, the Money-Market Investment Fund and the Guaranteed Income Fund, or any of them. Effective July 1, 1991, Fund will be defined as The Company Stock Fund, The U.S. Bond Fund, the Diversified Equity Fund, the Guaranteed Income Fund, the Marketable Bond Fund, and the International Equity Fund, or any of them.

INVESTMENT FUND:

The Company Stock Fund, the Bond Fund, the Diversified Equity Fund, the Money-Market Investment Funds and the Guaranteed Income Fund, or any of them. Effective July 1, 1991, Fund will be defined as The Company Stock Fund, The U.S. Bond Fund, the Diversified Equity Fund, the Guaranteed Income Fund, the Marketable Bond Fund, and the International Equity Fund, or any of them.

INVESTMENT MANAGER:

1. Language unchanged.

2. Language unchanged.

3. GUARANTEED INCOME FUND. (a) Metropolitan Life Insurance Company, One Madison Avenue, New York City, New York 10010; (b) New York Life Insurance Company, 51 Madison Avenue, New York City, New York 10010 Principal Mutual Life Company, Des Moines, Iowa 50392-3840; (b) PRIMCO Capital Management, Inc., 101 South Fifth Street, Louisville, Kentucky 40202, or such other firm or individual as may be selected from time to time by the Employee Benefit Finance Committee.

NOTICE:

Written notification on a form prepared by the Administrator, mailed or delivered to the Employer at least 30 days but not more than 60 days before the date specified in any preceding section, unless the text provides to the contrary.

SAVINGS FUND PLAN OFFICE

Room 418, 215 Market Street
Room 920, 245 Market Street, San Francisco, California 94106

SEVERANCE FROM SERVICE DATE:

(a) The date on which an Employee quits, retires, is discharged or dies; or

(b) The first anniversary of the first date of a period in which a participant remains absent from work for an Employer for any reason other than a quit, retirement, discharge, or death.

(c) For the purpose of determining the Severance from Service Date, the following periods shall not be considered as absences from work for an Employer:

(1) Absence on a leave of absence authorized by an Employer.

(2) Absence because of illness or injury as long as the participant is entitled to receive sick leave pay or is entitled to receive benefits under the provisions of the Voluntary Wage Benefit Plan, a state disability plan, Part B of the Group Life Insurance and Long-Term Disability Plan, or a Workers' Compensation Law.

(3) Absence for military service or service in the Merchant Marines so long as reemployment rights are protected by law.

(4) Absence caused by layoff for lack of work of less than 12 continuous months for a Participant who has less than five years of service, or 24 continuous months for a Participant who has five or more years of service.

Explanation: Application: Change application to form. Employee: Delete reference to Natural Gas Corporation of California and PG&E Enterprises since they are not participants. Fund: Modify language to define new funds. Investment Manager: Indicate current investment manager. Notice: Delete reference. Savings Fund Plan Office: Indicate current address. Severance from Service Date: Indicate existing practice.

BENEFIT AGREEMENT PART IV TERM

6.01

A Union Pension Contract having taken effect as of January 1, 1954, and having been amended January 1, 1959, January 1, 1964, January 1, 1969, January 1, 1974, January 1, 1977, January 1, 1981, January 1, 1983, January 1, 1988 and last amended January 1, 1988⁹¹ and herein referred to as the Benefit Agreement, shall continue in effect as amended for the term January 1, 1988⁹¹ to January 1, 1991⁹⁴, and shall continue thereafter for terms of one year each unless written notice of termination is given by either Union or an Employer to the other 120 days prior to the end of the then current term. (Amended 1/1/88⁹¹)

6.02

A. Language unchanged.

B. Notwithstanding the Provisions of Section 6.01 above, either party to this Agreement may upon written notice to the other on or before October 1, 1989 reopen the Basic Pension Table in Section 3.06 and/or Special Provisions (Pension and LTD adjustments) of Part III (Retirement Plan) hereof. (Amended 1/1/88)

6.03 Language unchanged.

6.04 Language unchanged.

6.05 Language unchanged.

6.06 Language unchanged.

Understanding Managed Care Concepts

Today managed care encompasses a variety of terms and concepts that address administration and delivery of employer provided health benefits.

There is a wide variety of concepts available for implementing managed care into benefit plans. The most common tools and delivery systems are as follows:

Utilization Review - UR is a process of evaluating medical treatment and authorizing payment for medically necessary services. UR reduces the incidence of unnecessary hospitalization or treatment. The review is conducted by qualified health care professionals. UR typically consists of three separate procedures:

1. **Pre-Admission Authorization** - requires a plan participant to obtain an authorization prior to non-emergency services being rendered at a hospital or health care facility on a overnight basis.

2. **Concurrent Stay Review** - this process is conducted while a patient is being treated in a hospital or health care facility.

3. **Retrospective Review** - is conducted after the patient has been discharged from the hospital.

Case Management - is a process of assessing and coordinating all facets of a patient's medical care plan to receive maximum quality of care while minimizing cost to the plan. The central figure in case management is the "case manager". This individual works closely with the patient, the patient's family, and the attending physician to review treatment options and care setting which are appropriate to the patient. Case management focuses on patients who require prolonged care of specialized care.

Health Maintenance Organizations - an HMO is an entity that utilizes services of a group of physicians who are paid for providing a predetermined set of medical services to health plan participants. There are two common forms of HMOs:

1. **Staff Model or "Closed Panel"** - under this HMO, doctors are employed by the HMO and practice in one or more centralized ambulatory care facilities. Kaiser is an example of a staff model HMO.

2. **Individual Practice Association (IPAs)** - is open to all community physicians who meet the criteria set by the HMO. The IPA is the sole contracting agent between HMO and the physicians. Physicians who participate in an IPA have their own offices and continue to see non-HMO patients.

Preferred Provider Organizations (PPOs) - PPOs are hospitals, clinics and physicians that contract with employers and insurers to provide health care services to benefit plan participants on a discounted fee-for-service basis in exchange for a greater potential volume of patients.

Point-of-Service Plans - Under a point-of-service plan there is a network of hospitals, physicians and clinics that have contracted with employers and insurers. The difference between a PPO plan and a Point-of-Service plan is the "gatekeeper" concept. The participant chooses a "primary care physician" ("PCP") from the network listing

and this physician/gatekeeper will oversee all in-network medical care and refer the participant to a specialist when necessary. The participant cannot "self-refer" himself to a specialist or ancillary services without the primary care physicians approval to receive "in network" benefits. "In network" benefits are similar to an HMO plan design in which there are minimal co-payments and the plan reimburses benefits at 100%. An important element under a point-of-service plan is that the participant always has the option of choosing to go "out-of-network" by seeing any physician of their choice, however, the benefit level will be less.

Managed care is fast becoming a standard component in employer health benefit programs. In reviewing the proposed tentative agreement, several managed care concepts are being introduced into the IBEW Local 1245 and PG&E agreement.

Health Medical, Dental and Vision Benefit Agreement

BETWEEN

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

AND

PACIFIC GAS AND ELECTRIC COMPANY

Effective as amended January 1, 1988
(Includes revisions effective January 1, 1989)
Effective as amended January 1, 1991

This agreement, dated January 1, 1975, has been amended on the following dates:

January 1, 1977

January 1, 1979

January 1, 1981

January 1, 1983

January 1, 1984

January 1, 1988

January 1, 1989

January 1, 1991

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HEALTH MEDICAL, DENTAL AND VISION BENEFIT AGREEMENT

THIS HEALTH MEDICAL, DENTAL AND VISION BENEFIT AGREEMENT made and entered into the first day of January, 1975, by and between PACIFIC GAS AND ELECTRIC COMPANY, hereinafter referred to as Company, and LOCAL UNION NO. 1245, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, hereinafter referred to as Union,

WITNESSETH that:

WHEREAS the parties hereto entered into a Health Medical, Dental and Vision Benefit Agreement dated January 1, 1975, hereinafter referred to as the Agreement of 1975, covering employees of Company; Standard Pacific Gas Line, Inc.; and Pacific Gas Transmission Company, in classifications represented by Union as set forth in Title 2 of the Physical Agreement dated September 1, 1952, as last amended, and in Title 2 of the Clerical Agreement dated July 1, 1953, as last amended, both between Company and Union, the Agreement dated July 1, 1957, as last amended, between STANPAC and Union, and the Agreement dated November 19, 1962, as last amended, between Pacific Gas Transmission Company and Union.

AND WHEREAS the parties hereto amended the said Agreement of 1975, from time to time,

NOW THEREFORE, the parties hereto agree to amend the said Health Medical, Dental and Vision Benefit Agreement of 1975 to be effective January 1, 1989⁹¹, as follows: (Amended 1/1/91)

Section 1. Application

(a) This Health Medical, Dental and Vision Benefit Agreement shall apply to all employees of Company; Standard Pacific Gas Line, Inc.; and Pacific Gas Transmission Company, in classification for which Union is certified as a collective bargaining representative. All references herein "employee(s)" refer only to such bargaining unit employees. (Amended 1/1/80⁹¹.)

(b) As used in this Agreement, "Employer" shall mean Company; Standard Pacific Gas Line, Inc.; and Pacific Gas Transmission Company.

Explanation: To clarify title.

Section 2. Reports

Company will furnish Union with a conformed copy of the current Agreement between Company and an insurer, underwriter, or administrator of a Medical, or Dental or Vision Plan included herein and a detailed annual report of each plan which will include an audit of all funds attributed to each Plan included in this Agreement, as soon after the end of each plan year as it is available. Company will furnish Union with such other timely reports as are necessary for the conduct of negotiations or for the functioning of any committees established by the provisions of the Agreement. (Amended 1/1/91)

Explanation: To include Dental and Vision plans.

Section 4. Eligibility and Membership

(a) Eligibility

The following eligibility rules shall apply to all Health Plans (including Blue Cross, Delta Dental, Vision Service Plan, and all Health Maintenance Organizations with whom the Company contracts for services to employees).

(i) Every Employee of the participating Employer who comes within the classification of Employees covered by these Plans, shall be eligible to enroll as a Subscriber and may enroll as eligible Family Members his or her spouse and each unmarried child of the Subscriber from birth to the child's 19th birthday.

a. The term "spouse" means the spouse of the Subscriber under a legally valid existing marriage as would be recognized by the laws of the State of California.

b. The term "child" means the Subscriber's natural child, stepchild, foster child, legally adopted child, and child for whom the Subscriber has been granted legal guardianship.

(ii) Upon written notice and subject to meeting the following qualifications, an unmarried child who has reached his or her 19th birthday may also be included herein as a Family Member until the child's 24th birthday, provided such child comes within the meaning of a dependent of the Subscriber under the then current U.S. Internal Revenue Code and Regulations.

(iii) An unmarried child, upon otherwise ceasing to qualify as a "child" under this Agreement,

may continue as an eligible child if prior to the date the child would otherwise cease to qualify as a dependent under paragraph ii above, the child is incapable of self-support and is chiefly dependent on the Subscriber for support and maintenance due to mental retardation or physical handicap. Written proof of this dependency must be provided by the Subscriber to PG&E or its designated Claims Administrator along with certification of incapacity from a physician within thirty-one (31) days of the date the child would otherwise cease to qualify as a dependent under paragraph ii above. After initial approval, written proof must be provided to PG&E or its Claims Administrator upon request; but after a two-year period following the child's attainment of the limiting age, not more frequently than annually.

Eligible Family Members include, but are not limited to:

Spouse, where the marriage would be recognized by the State of California.

Natural child to age 19 (whether or not such child comes within the meaning of the then current U.S. Internal Revenue Code and Regulations).

--Natural child means - a child of the Subscriber by birth.

Stepchild, foster child, legally adopted child, and child for whom the Subscriber has been granted legal guardianship up to age 19.

An unmarried child who has reached his or her 19th birthday may be included until the child's 24th birthday, if the child is eligible to be declared as a dependent on the Subscriber's U.S. Federal Tax Return (Form 1040) whether or not such Subscriber actually declares the child on the return.

--Dependent on U.S. Federal Tax Return (Form 1040) shall mean - a child eligible to be declared as an exemption under the then current Section 151 of the Internal Revenue Code, or dependent under Section 152 of the Internal Revenue Code.

Grandchild for whom the Subscriber has been awarded legal guardianship or legal adoption, as would be recognized by the laws of the State of California. Coverage will begin the first of the month following the timely filing of application after the attainment of legal guardianship or adoption.

Ineligible Family Members include, but are not limited to:

Any spouse who would not be recognized by the laws of the State of California (including, but not limited to "common law" spouses, spouse of the same sex, and any other spouse in which the marriage is not recognized by the State of California).

Any child over age 19 if the child no longer comes within the meaning of a dependent of the Subscriber's for Federal Income Tax purposes.

A stepchild, foster child, legally adopted child and child for whom the Subscriber has been granted legal guardianship, shall not be eligible prior to attainment of such status as recognized by the laws of the State of California, or after loss of such status.

Example 1: Stepchild - (not legally adopted) - child becomes eligible under the plans upon the legally valid marriage to the child's parent. Coverage shall cease upon the divorce or legal separation of the Subscriber to the stepchild's natural parent.

Example 2: Adopted child - child becomes eligible upon the Subscriber obtaining adoption and the adoption is recognized by the laws of the State of California. Coverage shall cease the first of the month following when the child is no longer considered an adopted child by the laws of the State of California, or is otherwise ineligible under the terms of the plan.

Grandchild for whom legal guardianship or adoption has not been obtained.

Child over the age of 19 who is mentally retarded or physically handicapped in which the child is not chiefly dependent on the Employee for support and maintenance.

Married child of any age.

Explanation: To incorporate Grievance No. JM-1-88 into agreement.

(b) Membership

(a) (i) Dental Plan

Any employee on the first day of the month coincident with or next following after attainment of "regular" status (as defined in the applicable Labor Agreement) shall be a member of the Dental Plan eligible for and may become a participating member of the Dental Plan provided such employee meets the eligibility requirements established in Exhibit A. (Amended 1/1/91.)

(b) (ii) Health Medical Plans

Every employee of an Employer is eligible for and may become a participating member of a Health Medical Plan provided for in this Agreement, or a Health Maintenance Organization Plan (hereinafter referred to as HMO), as may later be designated by agreement of Company and Union pursuant to the provision of Section 7. of this Agreement, provided such employee meets the eligibility requirements of the Plan to which he or she is applying for membership. No eligible employee may elect to be both a participant and a dependent, and, further, no person may be a dependent of more than one participant. (Amended 1/1/91.)

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(c) (iii) Vision Care Plan

Any employee on the first of the month coincident with or next following after attainment of "regular" status (as defined in the applicable Labor Agreement) shall be a member of the Vision Care Plan eligible for and may become a participating member of the Vision Care Plan provided such employee meets the eligibility requirements established in Exhibit B. (Added 1/1/81.) (Amended 1/1/91.)

Explanation: To make eligibility rules consistent for all plans.

Section 5. Payment of Premiums by Employer

(a) Dental (Amended 1-1-88/91)

For the current term of this Agreement, the Employer shall pay the total amount necessary to provide dental benefits for its regular full-time employees and their dependents. Employees who become regular part-time or intermittent employees after January 1, 1991 shall be required to pay a prorated portion of the Basic Monthly Premium Equivalents. The company payment on behalf of such employee will be based on the ratio of actual straight-time hours worked to the full-time hourly equivalent. Effective January 1, 1984, the orthodontic benefits under the Plan will be 50 percent of covered orthodontic benefits to a maximum of \$1,000 per case.

The table below indicates the premium equivalents for Plan Year 1988 and 1989/91. The premium equivalents for any following Plan Year shall be established in September of the preceding year on the basis of Delta Dental estimates for the following year based on experience to that date and trends.

	1988 Basic Monthly Premium Equivalents	1989/91 Basic Monthly Premium Equivalents
Employee only	\$26.05	\$25.55
Employee and one dependent	\$44.31	\$43.45
Employee and two or more dependents	\$67.74	\$66.43

(b) Vision Care (Amended 1/1/88/91)

For the current term of this Agreement, the Employer shall pay the total amount necessary to provide vision care benefits for its regular full-time employees and their dependents. Employees who become regular part-time or intermittent employees after January 1, 1991 shall be required to pay a prorated portion of the Basic Monthly Premium Equivalents. The company payment on behalf of such employee will be based on the ratio of actual straight-time hours worked to the full-time hourly equivalent.

The table below indicates the premium equivalents for Plan Year 1988 and 1989/91. The premium equivalents for any following Plan Year shall be established in September of the preceding year on the basis of Vision Service Plan estimates for the following year based on experience to that date and trends.

	1988 Basic Monthly Premium Equivalents	1989/91 Basic Monthly Premium Equivalents
Employee only	\$ 4.62	\$ 5.30
Employee and one dependent	\$ 9.24	\$10.63
Employee and two or more dependents	\$12.67	\$14.57

(c) Health Medical (Amended 1/1/88/91)

For current term of this Agreement, the Employer shall pay the total amount necessary to provide health medical plan benefits for its regular full-time employees and their dependents as provided for in Exhibit C in 1991 and 1992 and/or Exhibit Q in 1993, the base plans, or an equal or lesser amount, as is necessary to pay the premiums of an HMO Plan as such employee may elect, as described in Exhibits D, E, F, G, H, I, J, K, L, M, N, and O and P. Employees who become regular part-time or intermittent employees after January 1, 1991 shall be required to pay a prorated portion of the Basic Monthly Premium Equivalents. The company payment on behalf of such employee will be based on the ratio of actual straight-time hours worked to the full-time hourly equivalent. The table below indicates the HMO premium equivalents for Plan Year 1988 and 1989/91. The premium equivalents for any following Plan Year shall be established in September of the preceding year on the basis of Blue Cross estimates for the following year based on experience to that date and trends.

	1988 Basic Monthly Premium Equivalents	1989/91 Basic Monthly Premium Equivalents
Employee only	\$111.79	\$114.91
Employee and one dependent	\$245.94	\$248.36
Employee and two or more dependents	\$331.84	\$335.10

(i) Employer shall pay no premiums for married dependent children or dependent unmarried children who have attained age twenty-four (except as provided by law). Only for eligible members and their eligible dependents. (Amended 1/1/81/91)

(ii) Employer shall pay all of the base plan total amount of HMO equivalent premiums for an employee and his or her dependents (except those described in clause (i) next above) who has qualified for benefits under the Long-Term Disability Plan as described in Part II of the Benefit Agreement currently in effect between the parties hereto, until the employee retires or terminates. (Amended 1/1/81.)

(iii) Employer shall pay such premiums for employees and/or eligible dependents who are eligible for Medicare as are necessary to provide medical benefits which, in combination with Medicare Plans A and B, are equal to those provided by the negotiated plan of the employee's choice. Such payments shall include premiums for the applicable "carve out plan" and the premiums for Medicare Plan B.

In no event shall the sum of such payments exceed the Company's contribution for the medical plan premiums for employees not eligible for Medicare.

Explanation: Modify sections (a), (b) and (c) to add part-time and intermittent application for prorating benefits. 1991 premium equivalent are still being calculated and will be provided at a later date.

Section 6. Retirement of an Employee (Cont'd)

(b) Prior to changing a plan for retired employees eligible for Federal Medicare then in effect, Company will meet and confer with Union and, unless agreed upon by Company and Union, the total benefits provided under Federal Medicare and its supplement and any plans provided by Company in effect on January 1, 1974, for such retired employees, shall not be reduced during the current term of this Agreement for employees retiring after December 31, 1974. During such term, Company shall continue to pay the full plan premium for employees who retire after December 31, 1974 for the supplemental plan in effect on January 1, 1974, or its successor plans or, if the retired employee is a member of a designated Health Maintenance Organization plan instead of such supplemental plan, such premium shall be applied toward the premium of the appropriate designated HMO plan. (Amended 1/1/80.)

(c) An employee who retires under the provisions of the Company's Retirement Plan prior to such employee's normal retirement date and whose retirement date is prior to January 1, 1991 shall, until his or her normal retirement date, be considered as an active employee for the purpose of premium payment as provided for in Subsection 5(c) of this Agreement. (Amended 1/1/81/91)

(d) For employees who retire after December 31, 1990 and prior to such employee's normal retirement date, the Company contribution shall be prorated based on the retired employee's service, and shall be determined using the following formula:

$$\text{Prorated Company contribution} = (C / 25) \times Y$$

C equals either Exhibit C or Exhibit Q premium equivalent, whichever ever is applicable for retirees under age 65, and Y equals the employee's years of service up to a maximum of 40.

In no event will the Company contribution under this subparagraph (d) exceed the full medical plan premium or premium equivalent for each member.

(e) For purposes of subsection 6(b) and (c) above, service will be determined in accordance with the provisions of Section 3.03 of the Retirement Plan, and age and service will be determined as of the date the Company contribution is to be made. (Amended 1/1/91.)

Explanation: Add application for employees who retire after December 31, 1990, who are 55 years of age with 25 years of service will have their medical paid in full by the Company. Employees with less than 25 years of service, will contribute a portion of the premium based on their years of service. Current application for retirees age 65 and older remains in effect.

Section 7. Health Maintenance Organizations

(a) Company and Union shall continue to discuss the addition and designation of HMO Plans as they become available, as alternatives to the Health Plans provided for in Exhibit C. To qualify for consideration as a designated alternative, an HMO Plan must meet and maintain the requirements established by the Secretary of Health, Education and Welfare as presently provided in the Health Maintenance Organization Act of 1973, or the California Knox-Keene Act of 1975, or as such Acts may be amended during the term of this Agreement. By agreement prior to the first day of October of any year, additional qualified HMOs may be included in this Agreement, HMOs may be added to or deleted from this Agreement, to become effective on the first day of the following calendar year. (Amended 1/1/88.) If it is determined that an HMO is in financial difficulty or has an enrollment of less than 200 employees/retirees, the Company and Union reserve the right to delete that HMO from this Agreement effective on the first day of the following calendar year. The Company and Union reserve the right to terminate an HMO in order to comport with the HMO Act of 1973. (Amended 1/1/91.)

(b) Language unchanged.

(c) Language unchanged.

Explanation: Add flexibility for Company and Union to add or delete HMOs.

Section 8. National or State Insurance

If a National or State Health Insurance Plan is established by an act of Congress or the California State Legislature, Company and Union shall meet and, to the extent required by such act, adopt a plan to coordinate the benefits of the Plans or alternative Plans provided for in this Agreement with the Plan established by law. Such coordination shall not provide any benefit or level of benefits which will require the payment by the Employer of any monetary contributions, whether in the form of payroll or other taxes or premiums which are in excess of the Company's

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share of the then current premiums being paid for the Health Plan provided for in Exhibit C hereof. Such total contributions shall be determined by multiplying the Employer's contribution rate for an employee only, an employee and one dependent and an employee and two or more dependents for such Plan by the number of employees in each category regardless of the plan they belong to and taking the sum of the three products. If the plans are coordinated, as provided herein, Employer shall, for the term of this Agreement, continue to pay its share of the premiums, taxes, etc. required to support such coordinated plans. (Amended 1/1/8391)

Explanation: Include wording for any State Health Insurance Plan which is established.

Section 9. Health Medical, Dental and Vision Committee

A committee consisting of not more than eight members shall be established, four of whom shall be appointed by Company's Manager of Industrial Relations from among its employees and four of whom shall be appointed by Union from among its members.

This committee shall meet upon the request of Company's Manager of Industrial Relations or Union's Business Manager, when deemed necessary by either of them, but at least once during the second week of September every year.

The time spent in connection with the work of this committee by Union's committee members who are employees of Company shall be paid by Company, and Union shall reimburse Company for such expenditures in accordance with the provisions of the Letter Agreement between Company and Union dated May 2, 1977 (PGE 77-9).

This committee shall discuss and develop solutions to any problems which may arise in the administration and application of the Plans provided under this Agreement.

Explanation: Change wording from Health to Medical.

Section 11. COBRA Continuation and ERISA (Added Amended 1/1/8891)

A. COBRA Continuation

Effective January 1, 1988, the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 requires that the Company provide group health benefits to individuals "qualified beneficiaries", as defined below, who would otherwise lose coverage under the Company's plans (i.e., medical, dental and vision plans) due to certain "qualifying events" listed below.

COBRA will not affect the continued group medical plan coverage currently offered to employees, retirees, eligible dependents and surviving spouses.

"Qualified beneficiaries" are the employee and all of his/her eligible dependents who were enrolled in the Company's health care plans on the day prior to a "qualifying event." Eligible dependent may include:

legally married spouse;

unmarried child to age 19, whether or not such child comes within the meaning of a dependent under the Internal Revenue Code rules;

unmarried stepchild, foster child, legally adopted child or child for whom the employee has been granted legal guardianship are eligible up to age 19 as long as the child continues to have such status; or

unmarried child, stepchild, foster child, legally adopted child and child for whom the employee has been granted legal guardianship are eligible for coverage up to the child's 24th birthday if eligible to be declared as a dependent on employee's Federal Tax Return (Form 1040) whether or not the child is actually declared on employee's tax return.

COBRA Continuation Plan shall provide that:

(a) Coverage can be extended up to 18 months* if one of the following "qualifying events" occurs on or after January 1, 1988:

Employment with the Company terminates for any reason, including voluntary resignation or retirement *1/ other than gross misconduct, or

if group health coverage would otherwise end due to a reduction in work hours.

1/ NOTE: Medical coverage for retirees and their dependents are continued under the PG&E health plans. COBRA only applies to the continuation of dental and vision coverage.

*The 18-month COBRA period may be extended for the following:

(1) Dependent(s) of an Employee who is eligible for an 18-month COBRA period and is either enrolled in Medicare at the time of the qualifying event or enrolls in Medicare during the 18-month COBRA period. One of the following situations will apply:

a. If the employee is enrolled in Medicare on the date of termination, enrolled eligible dependents are entitled to COBRA coverage for the greater of:

o 18 months from the date of the COBRA qualifying event, or

o 36 months from the date the employee became covered by Medicare.

b. If an employee is on an 18-month COBRA period and becomes enrolled in Medicare during this period, the employee's COBRA enrolled eligible dependents who meet definition of a "qualified beneficiary" are eligible to extend their COBRA coverage for up to 36 months from the date of the initial qualifying event.

(2) Disabled Qualified Beneficiaries, employee or dependent, determined by Social Security to be disabled at the time of the employee's termination or reduction in hours, the disabled individual may extend the 18-month COBRA coverage period for up to 29 months from the date of termination or reduction in hours.

COBRA coverage will end on the earliest of:

o the first day of the month after Social Security determines that the qualified beneficiary is no longer disabled; or

o one of the events listed under "c" below.

(b) Coverage for eligible dependents can be extended up to 36 months if one of the following "qualifying events" occurs on or after January 1, 1988:

Employee/retiree dies while being covered as a plan participant (dependents have a choice of continuing their coverage under COBRA or under the surviving family member coverage provisions of PG&E's plans); or

Employee/retiree and spouse become legally separated or divorced; or

A dependent child no longer qualifies as an eligible dependent under medical, dental or vision plan.

If any one of the qualifying events listed above occurs during an 18-month continuation period, covered dependents who meet the definition of a qualified beneficiary 2/ may elect to continue coverage for up to 36 months from the date of the initial qualifying event.

Dependents must be enrolled as a dependent under the group health plan at the time of the qualifying event to be eligible for continuation coverage under COBRA.

(c) COBRA coverage will end on the earliest of the following:

the end of the 18-month or 36-month period.

the date any premiums are not paid when due.

the date an individual on COBRA coverage becomes covered by any other group health plan maintained by another employer whether or not covered as an employee.

the date an individual on COBRA coverage becomes covered by any other group health plan which does not contain any pre-existing condition limitation that applies to employee or his/her dependents.

the date an individual becomes entitled to Medicare. (Applies to medical coverage only.)
the date the Company ceases to provide any group health plan.

(d) Cost of Continuation Coverage

Continuation coverage will cost the individual electing coverage 102% of the group health plan premium, except in the case of extended coverage from 19 to 29 months for disabled individuals, for each one of the plans that the individual elects to continue coverage after the qualifying event. The extended coverage for the disabled individual will be 150% of the full premium for months 19 to 29.

(e) How to Obtain COBRA Continuation Coverage

In the event of an employee's termination of employment, retirement, or death, the Company will notify the employee/retiree and/or eligible dependents of their right to continuation coverage within 44 days from the date coverage would be lost.

In the event of a divorce, legal separation or child losing dependent status under the group health plan, the employee or their dependents are responsible for notifying the Company to obtain continuation coverage. The employee and/or dependents have 60 days from the date of the qualifying event to notify the Company. The Company will notify the employee and/or dependents of their right to choose continuation coverage within 14 days of receiving a written notice. Failure to notify the Company within 60 days of a qualifying event will be considered an election not to continue coverage. Requests for COBRA continuation coverage should be sent to the local Human Resources Department.

(f) Individual Medical Plan Conversion Privileges

Nothing in this section will affect the right of an employee or their eligible dependent to convert group medical plan coverage to an individual plan upon becoming ineligible for group coverage. An employee or former employee may convert to an individual plan within 31 days from the date the 18-month or 36-month COBRA continuation coverage period ends or within 31 days from the date group medical coverage ends. The Administrator shall notify the COBRA participant in writing of his/her option to convert no less than 30 days prior to his/her coverage ending.

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B. ERISA (Amended 1/1/91)

As a participant in the Pacific Gas and Electric Company Health Medical, Dental and Vision Plans, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides that all Medical, Dental and Vision Benefit Plan participants shall be entitled to:

Examine, without charge, at the Employer's office, all Plan documents, including the Group Contracts, any relevant collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and Plan descriptions.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary financial report.

In addition to creating rights for Plan participants, ERISA imposes obligations upon the persons who are responsible for the operation of the employee Benefit Plan.

These persons who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and the other Plan participants and beneficiaries.

No one, including your Employer, your union or any other person, may fire you or discriminate against you in any way to prevent you from obtaining a Benefit under this Plan or exercising your rights under ERISA. If your claim for a Benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for Benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

Explanation: A. COBRA - clarify and include additional amendments made to the law. Add provision to have administrator notify a participant in advance of his coverage ending under COBRA. B. ERISA - add language to include all plan participants.

Section 12. Exhibits (Amended 1/1/89)

The following Exhibits are attached hereto and made a part hereof:

Exhibit A - Dental Plan (Delta Dental Plan of California)

Exhibit B - Vision Care Plan (Vision Service Plan)

Exhibit C - Prudent Buyer Plan (Blue Cross of California)

Exhibit D - Substance Abuse/Mental Health Plan

Exhibit E - Mail Service Prescription Program

Exhibit D F - Kaiser Foundation Health Plan

Exhibit E G - Foundation Health Plan

Exhibit F H - Maxicare

Exhibit G I - Health Plan of the Redwoods

Exhibit H J - Bay Pacific Health Plan, Inc.

Exhibit J K - Lifeguard

Exhibit K L - Heals Plan

Exhibit L M - Health Net

Exhibit M N - Health Plan of America

Exhibit N Q - TakeCare

Exhibit O P - ValuCare

Exhibit P - Grievance No. JM-1-88

Exhibit Q - PG&E Medical Plan

Explanation: Add and delete exhibits as per proposed contract changes.

Section 13. Notice - Amendments - Termination

By written agreement between Company and Union, other provisions may be substituted for the provisions of this Agreement. The Company and Union also may change the underwriters of the Plans provided herein by written agreement. (Amended 1/1/91)

If a Plan provided for herein is terminated by an underwriter, Company shall furnish Union with notice of such fact within five calendar days of receiving such notice.

Thereafter, and as soon as it can be mutually arranged, Company and Union will meet to negotiate amendments to this Agreement as they may agree upon.

Explanation: Add flexibility for Company and Union to change plan underwriters.

Section 14. Term

(a) This Health Medical, Dental and Vision Benefit Agreement, having taken effect on January 1, 1975, and been amended January 1, 1977, January 1, 1979, January 1, 1981, January 1, 1983, January 1, 1984, and January 1, 1988, January 1, 1989, and January 1, 1991, shall continue in effect until January 1, 1991, and shall continue thereafter for terms of one year each unless written notice of termination is given by either Union or Company to the other 90 days prior to the end of the then current term. (Amended 1-1-88)

(b) If either Company or Union desires to amend this Health Medical, Dental and Vision Benefit Agreement, it shall give written notice thereof to the other 120 days prior to the end of the then current term, in which event the parties shall commence negotiations on any proposed amendment as soon as practicable after notice has been given. Failure of the parties to agree on any such proposed amendment shall not cause termination of this Health Medical, Dental and Vision Benefit Agreement unless either party has given notice of termination as provided for in Subsection (a) above. (Amended 1/1/81)

(c) Notwithstanding the provisions of Subsection (a) above, Company may forthwith terminate this Health Medical, Dental and Vision Benefit Agreement in the event that Union calls upon or authorizes employees of an Employer, individually or collectively to cease or abstain from the performance of their duties for an Employer, and Union may forthwith terminate this Agreement in the event that an Employer causes any lockout. (Redesignated Amended 1/1/81)

Explanation: Change wording from Health to Medical. Provide for a 3 year term contract.

IN WITNESS WHEREOF the parties by their duly authorized representatives have caused these presents to be executed this _____ day of _____, 1990.

PACIFIC GAS AND ELECTRIC COMPANY

By: _____
Its Vice President - Human Resources

And by: _____
Its Manager of Industrial Relations

LOCAL UNION 1245, INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, (affiliated with the
American Federation of Labor-Congress of Industrial Organizations)

By: _____
Its President

And by: _____
Its Business Manager

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

BENEFIT AGREEMENT EXHIBIT A DENTAL PLAN (Delta Dental Plan of California) March 1, 1991

SUMMARY OF BENEFITS

This outline is a Summary Plan Description of the Group Dental Plan and has been prepared for participants who are employees of Pacific Gas and Electric Company.

This Plan has been established and is maintained and administered in accordance with the provisions of Group Dental Contract No. 1515 issued by Delta Dental Plan of California.

DELTA DENTAL Plan PLAN OF CALIFORNIA

P. O. Box 7736
San Francisco, California 94120
(415) 972-8300

3700 Wilshire Boulevard, Suite 830
P.O. Box 57186
Los Angeles, California 90057
(213) 380-1630

8316 Clairemont Mesa Blvd.
Suite 210
San Diego, California 92111
(619) 565-2193

7667 Folsom Blvd.
P.O. Box 13796
Sacramento, California 95853

Explanation: Indicate current addresses and phone numbers.

IMPORTANT

This summary is subject to the provisions of the Group Dental Contract and cannot modify or affect the Group Dental Contract in any way, nor shall you accrue any rights because of any statement in or omission from this summary.

BENEFIT AGREEMENT EXHIBIT A DENTAL PLAN (Delta Dental Plan of California)

2. PARTICIPANT ELIGIBILITY

This Plan is effective beginning on January 1, 1988 for all Eligible Employees and their Eligible Dependents.

All present and future regular employees are eligible for this Dental Care Plan on the first day of the month coincident with or next following six months of service and attaining regular status.

Dependents become eligible coincident with the employee or immediately following attainment of dependent status.

Members eligible are the PG&E employee; their legally married spouse or surviving spouse, and unmarried children under 19 years of age (child means an employee's natural child, stepchild, legally adopted child, foster child, and child for whom employee has been granted legal guardianship). Coverage for a child born under this Plan begins at birth.

At age 19, unmarried children may be included to age 24 if they meet the Internal Revenue Code's definition of a dependent. An unmarried enrolled child, who if upon attaining the Plan's limiting age is incapable of self-support and is chiefly dependent on an employee for support or maintenance because of mental retardation or physical handicap, may continue coverage as a family member as long as disabled.

Dependents in military service are not eligible.

No one may be a dependent if eligible as an employee and no one may be a dependent of more than one Eligible Employee.

Note: See Exhibit P - Grievance No. JM-1-88.

You may join the Dental Plan after you become a regular employee. Your coverage will begin the first of the month after you complete an enrollment form and return it to your local human resources department.

Members eligible are the PG&E employee; their legally married spouse, their unmarried children under 19 years of age (child means an employee's natural child, step-child, legally adopted child, foster child, and child for whom employee has been granted legal guardianship. See Section 4 on Eligibility and Membership.

Adopted children must be enrolled within 31 days of physical custody for coverage to commence on date of physical custody. If adopted children are not enrolled timely, coverage will commence on the first of the month following submission of enrollment form to the local human resources department. Employee will be required to furnish adoption petition and final adoption papers.

At age 19, unmarried children may be included to age 24 if they meet the Internal Revenue Code's definition of a dependent. An unmarried enrolled child, who if upon attaining the Plan's

limiting age is incapable of self-support and is chiefly dependent on an employee for support or maintenance because of mental retardation or physical handicap, may continue coverage as a family member as long as disabled.

Coverage for newly acquired dependents will begin the first of the month after a completed enrollment form is returned to the local human resources office.

Dependents in military service are not eligible.

No one may be a dependent if eligible as an employee and no one may be a dependent of more than one eligible employee.

Explanation: Add Grievance No. JM-1-88 into section.

6. BENEFITS PROVIDED BY THE PLAN

A. DIAGNOSTIC AND PREVENTIVE BENEFITS

Diagnostic - procedures to assist the Dentist in determining required dental treatment.
Preventive - prophylaxis (cleaning), fluoride treatment, space maintainers, sealants for children.

Explanation: Add coverage for sealants for children.

E. ORTHODONTIC BENEFITS

Procedures involving the use of an active orthodontic appliance and post-treatment retentive appliances, for treatment of malalignment of teeth and/or jaws which significantly interferes with their function. *Orthodontic treatment is available only to Eligible Persons.*

Explanation: Current wording redundant.

7. LIMITATIONS

A. LIMITATIONS ON DIAGNOSTIC AND PREVENTIVE BENEFITS

(3) Unless special need is shown, full-mouth x-rays are provided only after three five years have elapsed following any prior provision of full-mouth x-rays under any Delta Dental Plan of California Plan. Supplementary bitewing (individual) x-rays are provided on request by your Dentist, but not more than once every six twelve months, while the for patients is an Eligible Person under any Delta Dental Plan of California Plan age 18 or older. Bitewing x-rays are provided to patients under age 18 not more than once every six months.

Explanation: Limit routine bitewing x-rays as per recommended by the American Dental Association and other Dental Organizations. Automatic change on all Delta Dental contracts.

(4) Sealants will be limited to permanent molar teeth that have no decay, no restorations, with the occlusal (chewing) surface intact, once per tooth per lifetime, for patients under the age of 14.

Explanation: Clarify coverage on sealants.

13. HOW TO USE YOUR PLAN

[More than 13,000 Many Dentists in active practice in California are Delta Dental Plan of California Participating Dentists. Your Dentist will probably be on the list of Participating Dentists available in a directory at your Personnel or Employee Benefits Office. Services may be obtained from any licensed Dentist during normal office hours. Emergency services are available in most cases through an emergency telephone exchange maintained by the local dental society which is listed in the local telephone directory.

Most Dentists in California are familiar with Delta Dental Plan of California Dental Care Plans and have Delta Dental Plan of California Attending Dentist's Statements (Delta Dental Plan of California Form 105). If not, the Dentist may contact:

DELTA DENTAL PLAN OF CALIFORNIA

Delta Benefit Services
P. O. Box 7736
San Francisco, California 94120
(415) 972-8300

3700 Wilshire Boulevard, Suite 830
P.O. Box 57186
Los Angeles, California 90057
(213) 380-1630

8316 Clairemont Mesa Blvd.
Suite 210
San Diego, California 92111
(619) 565-2193

7667 Folsom Blvd.
P.O. Box 13796
Sacramento, California 95853
(916) 386-1620

To obtain benefits, your Dentist should obtain an Attending Dentist's Statement and submit it to the Delta Dental Plan of California San Francisco office.

Explanation: Indicate current addresses and phone numbers.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

BENEFIT AGREEMENT EXHIBIT B VISION SERVICE PLAN (VSP of Sacramento) January 1, 1991

SUMMARY OF BENEFITS*

1. FACILITIES

This Vision Care Plan features a panel of over 10,000 doctors to provide professional vision care for persons covered under the plan. This concept assures the finest quality professional care and materials, at a uniform cost.

Explanation: Delete approximate number of providers.

2. WHO IS ELIGIBLE

This Plan became effective beginning on January 1, 1988 for all Eligible Employees and their Eligible Dependents.

All present and future regular employees are eligible for this Vision Care Plan on the first day of the month coincident with or next following six months of service and attaining regular status.

Dependents become eligible coincident with the employee or immediately following attainment of dependent status.

Members eligible are the PG&E employee; their legally married spouse, and unmarried children under 19 years of age (child means an employee's natural child, stepchild, legally adopted child, foster child, and child for whom employee has been granted legal guardianship). Coverage for a child born under this Plan begins at birth.

At age 19, unmarried children may be included to age 24 if they meet the Internal Revenue Code's definition of a dependent. An unmarried enrolled child, who if upon attaining the Plan's limiting age is incapable of self-support and is chiefly dependent on an employee for support or maintenance because of mental retardation or physical handicap, may continue coverage as a family member as long as disabled.

Dependents in military service are not eligible.

No one may be a dependent if eligible as an employee and no one may be a dependent of more than one Eligible Employee.

Note: See Exhibit P - Grievance No. JM-1-88.

*This outline of PG&E Vision Care Plan Benefits presents a summary of the principal provisions of the plan. All benefits are governed by the provisions of the Company's agreement with the carrier and participants are bound by the terms of the agreement. The complete agreement with the carrier is available from the Employee Benefit Administrative Committee.

You may join the Vision Plan after you become a regular employee. Your coverage will begin the first of the month after you complete an enrollment form and return it to your local human resources department.

Members eligible are the PG&E employee, their legally married spouse, their unmarried children under 19 years of age (child means an employee's natural child, step child, legally adopted child, foster child, and child for whom employee has been granted legal guardianship. See Section 4 on Eligibility and Membership.

Adopted children must be enrolled within 31 days of physical custody for coverage to commence on date of physical custody. If adopted children are not enrolled timely, coverage will commence on the first of the month following submission of enrollment form to the local human resources department. Employee will be required to furnish adoption petition and final adoption papers.

At age 19, unmarried children may be included to age 24 if they meet the Internal Revenue Code's definition of a dependent. An unmarried enrolled child, who if upon attaining the Plan's limiting age is incapable of self-support and is chiefly dependent on an employee for support or maintenance because of mental retardation or physical handicap, may continue coverage as a family member as long as disabled.

Coverage for newly acquired dependents will begin the first of the month after a completed enrollment form is returned to the local human resources office.

Dependents in military service are not eligible.

No one may be a dependent if eligible as an employee and no one may be a dependent of more than one eligible employee.

Explanation: Incorporate Grievance No. JM-1-88 into section.

8. CLAIMS APPEAL PROCEDURES B. COMPLAINTS - PROFESSIONAL SERVICES

If group or covered persons have any questions about benefits or professional services received, contact Vision Service Plan, 100 Howe Avenue, Sacramento, California 95825, or Vision Service Plan, P.O. Box 254500, Sacramento, California 95865, 95865-4500, or phone (916) 481-8720 or (800) 852-7600.

Explanation: Indicate correct zip code and provide an 800 number.

BENEFIT AGREEMENT EXHIBIT C (BLUE CROSS OF CALIFORNIA) PRUDENT BUYER PLAN EFFECTIVE February 1, 1988 March 1, 1991

SUMMARY OF BENEFITS*

BENEFITS

ELIGIBILITY

PLAN

You may join Blue Cross Prudent Buyer Plan as soon as you start working for the Company. All you have to do is obtain and complete and sign an appropriate application enrollment form and file it with the PSEA office. return it to your local human resources department. Your coverage will start upon the acceptance of the enrollment card by PSEA and on the first of the month following the first payroll deduction, the first of the month following timely submission of the enrollment form to Human Resources. If you wish membership effective the first of the month after submitting the application, a check for the first month's premium must accompany the application.] You must pay for the entire cost of your coverage until you become a regular employee.

Members eligible are the PG&E employee or retired employee; their legally married spouse or surviving spouse, and unmarried children under 19 years of age (child means an employee's natural child, stepchild, legally adopted child, foster child, and child for whom employee or retiree has been granted legal guardianship). See Section 4 on Eligibility and Membership.

Coverage for a child born under this Plan begins at birth; however, application an enrollment form must be received by Human Resources within 31 days of the birth for continuous coverage to continue. If application an enrollment form is not received within 31 days after birth, coverage will begin stop and will recommence on the first of the month following the date the application that the enrollment form is received., provided that the child is less than one year of age.

At age 19, unmarried children may be included to age 24 if they meet the Internal Revenue Code's definition of a dependent. An unmarried enrolled child, who if upon attaining the Plan's limiting age is incapable of self-support and is chiefly dependent on an employee or retiree for support or maintenance because of mental retardation or physical handicap, may continue coverage as a family member as long as disabled.

A PG&E employee or newly acquired dependent (other than a newborn infant) who does not must be enroll enrolled within 31 days of the date first eligible or they must show satisfactory evidence of good health when application is made for enrollment.

Adopted children must be enrolled with 31 days of physical custody for timely enrollment. Coverage will commence on the date that the employee gains physical custody. Employee will be required to furnish adoption petition and final adoption papers.

You [have 90 days to enroll in the Plan after you join the Company may enroll anytime before you become a regular employee. [If you don't enroll within that period, After you become a regular employee, you will have 31 days in which to enroll, [after you become a regular employee.

If you don't enroll within these time limits, you will have to wait for a period of open enrollment as specified and agreed to by Blue Cross and the Company, or you may have to provide evidence that you are in good health.

If you are enrolled in a Health Maintenance Organization Plan and transfer to an area not served by that Plan, you may enroll in Blue Cross without submitting evidence of good health, provided you apply within 60 days of the transfer. Your Blue Cross coverage will start when your HMO coverage ends.

A dependent may not be covered as both a dependent and an employee, as a dependent of more than one employee, or while in military service.

*This outline of Medical Plan Benefits presents a summary of the principal provisions of the plan. All benefits are governed by the provisions of the Company's agreement with the carrier and participants are bound by the terms of the agreement. The complete agreement with the carrier is available from the Employee Benefit Administrative Committee.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

After attainment of regular status, the Company currently pays the entire cost of this Plan for you and your eligible dependents.

If you are disabled and receiving benefits from the company's Group Life Insurance and Long Term Disability Plan, the Company will pay the entire cost of the coverage for you and your dependents.

If you take early retirement, you may continue your Blue Cross coverage on the same basis as if you were an active employee until you reach age 65. At age 65 your Plan coverage continues, but you will be required to share in the cost of the Blue Cross Medicare Supplemental Plan. If you are a retiree, you may continue coverage in this Plan. See Section 6 for membership and premium requirements.

If you are a surviving spouse, you may continue your medical coverage under the Blue Cross Prudent Buyer plan, however, the cost of the premium will become your responsibility.

Note: See Exhibit P - Grievance No. JM-1-88.

PRUDENT BUYER PLAN SERVICE AREA

Worldwide. Covered benefits apply throughout the world.
(Refer to CHOICE OF DOCTOR AND HOSPITAL below.)

CHOICE OF DOCTOR AND HOSPITAL

You must select doctors and hospitals in which Prudent Buyer services are available to be eligible for coverage at no cost.

You may select any licensed physician and surgeon anywhere in the world and receive care from any licensed general hospital and be eligible for full payment if you fall into any of the following categories:

1) You will be eligible for payment of 100% of Reasonable and Customary charges and may in writing appeal to Blue Cross for total payment if:

--Prudent Buyer services are not available within 30 road miles of your residence, or

--You are an eligible dependent attending school away from home and there are no Prudent Buyer services available within 30 road miles of your school residence, or

--You are traveling away from home and utilize services in another state, or

--Covered services are performed by a type of provider that Blue Cross does not contract with under the Prudent Buyer Plan Program.

2) You will be eligible for payment of 90%80% of Reasonable and Customary charges and may in writing appeal to Blue Cross for total payment if:

--You are traveling away from home but within the State of California and do not utilize Prudent Buyer services, or

--You are required to work away from your principle residence, or

--You are referred in writing to a Non-Prudent Buyer Specialist by a Prudent Buyer Provider.

3) You will be eligible for full payment in an emergency situation and while the emergency situation required immediate medical attention.

Any other circumstance may result in a 90/10%80/20% copayment for services rendered.

COORDINATION OF BENEFITS

Yes.

THIRD PARTY LIABILITY

Yes. Blue Cross may recoup for medical expenses which were paid both by Blue Cross and by a third party. This includes expenses covered under Workers Compensation Law.

HOLD HARMLESS

Members and their dependents will be held harmless for charges above the negotiated rate when utilizing Prudent Buyer services and/or if referred to a Non-Prudent Buyer by a Prudent Buyer Provider.

REQUIRED ARBITRATION

Blue Cross will represent member to see that they are not held responsible for charges in excess of the Prudent Buyer Plan changes. (Refer to Exhibit I and II below.)

PREFERRED PROVIDER MEDICAL COVERAGE

Basic Medical pays 100% of the Negotiated Rate when utilizing Prudent Buyer hospitals and physicians. Major Medical pays 80% of the Negotiated Rate when utilizing Prudent Buyer hospitals and physicians.

NON-PREFERRED

Basic Medical pays 90% 80% of the reasonable and customary charges when utilizing a Non-Prudent Buyer hospital and/or physician. Non-network annual out-of-pocket maximum for covered expenses is \$3,000 per individual.

CASE MANAGEMENT

You may receive alternative benefits from those outlined in this Exhibit if recommended by a designated Case Manager and approved by you and your physician.

BASIC PLAN BENEFITS

BASIC AND MAJOR MEDICAL COVERAGE

Most benefits pay from the first dollar of expenses with no deductible (the exception is doctor's home and office visits)

MAJOR MEDICAL PROTECTION

Lifetime maximum - \$1,000,000
Deductible - \$100 per person (or a total of \$300 for a family) each calendar year. (No Fourth Quarter Carry Forward)
Co-insurance - After the deductible, pays 80% of charges covered expenses of the next \$2,000 of covered expenses for each individual and 100% thereafter.

HOSPITAL BENEFITS

Room and Board

Pays up to 365 days in a room of two or more beds (including intensive care); private room accommodations will be paid in full when certified as medically necessary and when preauthorized. \$250 copayment for each stay that is not preauthorized in a non-preferred hospital except in the case of life threatening emergencies.

Pays 80% or 100% of charges covered expenses in excess of Basic Plan benefit. The \$250 copayment for nonpreauthorized stays are not covered under Major Medical.

Hospital Services

Pays up to 365 days.

Pays 80% or 100% of charges covered expenses in excess of days provided by Basic Plan.

Special Duty Nursing

Provided by Major Medical only.

Pays 80% or 100% of charges covered expenses.

Outpatient Hospital Emergency Care

Pays in full after a \$15 copayment for sudden illness, accidents, or if surgery is performed.

Pays 80% or 100% of charges covered expenses in excess of Basic Plan benefit.

Skilled Nursing Facility

Pays in full in a room of two or more beds after three days of hospital care.

Pays 80% or 100% of charges covered expenses in excess of Basic Plan benefit.

Ambulance Services

Pays up to \$100 when hospitalized; pays in full when transferred to Skilled Nursing Facility.

Pays 80% or 100% of charges covered expenses in excess of Basic Plan benefit.

Ancillary Services

Covered Expense.

Paid under Basic Plan.

PROFESSIONAL BENEFITS Surgery

Covered expense including surgeon, assistant surgeon and anesthetist.

Paid under Basic Plan.

Doctor's Visits

HOSPITAL VISITS
Covered Expense.

The Basic Plan copayment or any portion thereof may be used as a credit against the Major medical deductible of \$100.

OFFICE & HOME VISITS

Accident:
Covered Expense.
Illness:
Office Visit - \$5.00
\$10 copayment per visit.
Home Visit - \$10.00 \$10 copayment per visit.

Consultation

Covered Expense.

Paid under Basic Plan.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

MEDICAL BENEFITS

Routine Physical Exams	Not provided.	Not provided.
Examination for Eyeglasses	Not provided. <u>Covered under VSP Plan.</u>	Not provided. <u>Covered under VSP Plan.</u>
Outpatient Physical Therapy	Provided under Major Medical only.	Pays 80% or 100% of <u>charges covered expenses</u> in excess of Basic Plan benefit.
Diagnostic X-ray and Laboratory Exams	Pays up to \$200 each calendar year for diagnostic x-rays <u>or laboratory services for illness and disease, and clinical laboratory services for illness.</u> Pays in full for accidents.	Pays 80% or 100% of <u>charges covered expenses</u> in excess of Basic Plan benefit.
Pap Smears	Covered Expense.	Paid under Basic Plan.
Radiation Therapy	Covered Expense.	Paid under Basic Plan.
<u>Inpatient</u> Dental Care	3 days of Hospital Benefits if surgery is performed.	Pays 80% or 100% of <u>charges covered expenses</u> for treatment of injury to natural teeth.
Well-Baby Care	Pays up to \$100 during first year of life.	Paid under Basic Plan.
Supplemental Accident	Pays up to \$500 for covered services within 90 days of accident, including out-of-hospital physical therapy, hospital room and board, registered nursing care. Includes dental service for accident.	Pays 80% or 100% of <u>charges covered expenses</u> in excess of Basic Plan benefit.
Home Health Care	Covered Expense.	Paid under Basic Plan.
<u>Inpatient</u> Prescription Drugs	Pays in full <u>when hospitalized for drugs used in hospital.</u>	Pays 80% or 100% of <u>charges covered expenses, in excess of Basic Plan Benefit.</u>
Outpatient Prescription Drugs	Provided under Major Medical only.	Pays 80% or 100% of <u>charges covered expenses.</u>
Hospice Care	Pays in full when course of treatment approved by Blue Cross. <u>Family bereavement counseling is limited to \$25 per visit, four visits per family.</u>	Paid under Basic Plan.
Injections	Covered Expense.	Paid under Basic Plan.
Immunizations	Covered Expense.	Paid under Basic Plan.
Maternity Care	<u>Covered Expense.</u> <u>Covered as any other illness.</u>	<u>Paid under Basic Plan.</u> <u>Covered as any other illness.</u>
<u>Inpatient</u> Psychiatric Care	Provided by Major Medical only., <u>until March 1, 1991.</u>	Pays 80% or 100% of <u>charges covered expenses</u> during acute phase., <u>until March 1, 1991.</u>
Outpatient Psychiatric Care	Provided by Major Medical only., <u>until March 1, 1991.</u>	Pays 80% of <u>charges covered expenses</u> up to \$1,500 annual maximum per family member., <u>until March 1, 1991.</u>
Inpatient Substance Abuse Care	<u>Not Covered. Provided under separate treatment program.</u>	<u>Not Covered. Provided under separate treatment program.</u>
Outpatient Substance Abuse Care	<u>Not Covered. Provided under separate treatment program.</u>	<u>Not Covered. Provided under separate treatment program.</u>
Artificial Limbs and Rental of Mechanical Equipment	Provided by Major Medical only.	Pays 80% or 100% of <u>charges covered expenses.</u>

BENEFITS

OUT-OF-AREA BENEFITS

SPONSORED DEPENDENT CHILD

PLAN

Covered benefits apply throughout the world.

At age 19, unmarried children may be included to age 24, provided they are primarily dependent upon the subscriber for support. (See

Exhibit P -Grievance No. JM-1-88.)

EXCLUSIONS AND LIMITATIONS

.Conditions caused by war or aggressssion.
 .Eye refractions, glasses and examinations; *hearing aids or orthopedic shoes.*
 .Conditions covered by Workers' Compensation laws.
 .Services for custodial care or an institution which is primarily a place of rest, a place for the aged, a sanitarium, nursing home or any like institution.
 .Non-medical expenses for comfort items.
 .Services or supplies for which no charge is made.
 .Services provided by Federal or State Government agencies.
 .Benefits received or payable under the "Medicare" section of the Social Security Act.
 .Cosmetic surgery except as a result of an accident occurring while a member of this Plan.
 .Services or hospitalization which began prior to member's effective date or after protection has terminated except as provided by the agreement.
 .Treatment on or to the teeth except as specifically provided.
 .Services or supplies in connection with experimental treatment.
 .Services for organ transplants except transplant of kidney, cornea or bone marrow or tissue from the body of the member when the recipient is a member covered by this Plan.
 .Optometric services and podiatric services.
 .*EXCEPT AS A MAJOR MEDICAL BENEFIT, hospitalization primarily for rehabilitative care, treatment of pulmonary tuberculosis and mental disorders.*
 .*Hospitalization primarily for physical therapy or other rehabilitative care except those benefits which would have been provided had the patient been treated on an outpatient basis.*
 .*Services of a licensed chiropractor, psychologist, podiatrist or optometrist except for medically necessary treatment performed within the scope of his license, if such services would have been performed by a physician and surgeon.*
 .Any procedure or treatment to reverse previous sterilization procedures.
 .Artificial insemination and, invitro fertilization., and gamete intrafallopian transfer.
 .Any surgery for the correction of refractive defects of the eye, such as near-sightedness, e.g. radial keratotomy.
 .Weight reduction or treatment of obesity.
 .Acupuncture.
 .Treatment for Substance Abuse. and Psychiatric services after March 1, 1991.
 .Any expense incurred for services or supplies that are not medically necessary as defined herein.

.Any procedure or treatment designed to alter physical characteristics of the member to those of the opposite sex.
 .The furnishing or replacement of hearing aids, orthopedic shoes, air purifiers or humidifiers.
 .Professional services rendered to a member by a person who ordinarily resides in the member's home or who is related to the member by blood or marriage.
 .Hyperkinetic Syndromes, learning disabilities, behavioral problems, mental retardation, autistic disease of childhood, or hospitalization for environmental change.
 .Medical examinations or tests not connected with the care and treatment of an actual illness, disease or injury; routine physical exams.

TERMINATION OF COVERAGE

If you decide to end your Blue Cross coverage, it will stop on the first day of the month after PSEA PG&E receives your written notice of cancellation. Coverage will end automatically on the first day of the month following:

- the end of your employment with an eligible Employer,
- your transfer into an employment status that makes you ineligible for Plan coverage,
- your failure to pay your share of the cost of coverage, or
- the Plan's termination.

Your dependents' coverage will end when yours does, or on the last day of the month in which they no longer qualify as dependents. If you divorce, or legally separate, the coverage of your former spouse will end on the last day of the month in which the divorce becomes final or legal separation begins.

If you die, your surviving spouse and dependents may continue Plan coverage.

Your coverage will continue if you go on an authorized leave of absence for personal or medical reasons. However, the Company will contribute to the cost of your coverage for only three months for any leave of absence authorized for personal reasons.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

If you are hospitalized when your coverage ends, benefits will continue for the same illness until you are discharged, no longer need care, or have been provided with maximum benefits, whichever occurs first.

CONVERSION

If your group Blue Cross coverage stops, you may convert it to an individual membership without under going a physical examination, provided you apply within 31 days. Your dependents may also take advantage of this privilege. However, you may not exercise this privilege if the Plan is terminated, or if your group coverage is stopped because you allowed your Blue Cross identification card to be used fraudulently. Blue Cross benefits are not transferable; only Blue Cross members are permitted to receive Blue Cross benefits. The actual benefits provided by the individual membership are not the same as those provided by the Company-Blue Cross Plan. If you start the individual membership, Blue Cross will provide information on what medical coverage is available.

MEMBER CLAIM FORM

In the event Member Claim Forms are not submitted by the provider of services, such Member Claim Forms must be submitted by members or dependents for reimbursement and/or payment for services. (Refer to Exhibit III.)

Exhibit I: PAYMENT IN FULL FOR COVERED SERVICES

The payment of the usual Prudent Buyer fee by Blue Cross is intended to constitute payment in full for the Physician and Surgeon's professional services covered by this Agreement. In any instance where the Physician and Surgeon contends that he is entitled to a fee exceeding that paid by Blue Cross, Blue Cross will represent the Member and will hold him harmless from Personal liability for any additional fee payment.

Exhibit II: HOLD HARMLESS AGREEMENT

The following procedure will be used to administer Exhibit I, Payment in Full, for covered services of the Agreement, No. 7217, and its endorsements between Blue Cross and Pacific Gas and Electric Company:

1. Blue Cross will initially review all claims for professional services to confirm that the services meet the test of the Prudent Buyer Plan.
2. In the event that a dispute arises between a physician and Blue Cross over the appropriateness of fee or treatment, the case will automatically be referred by Blue Cross to the appropriate Peer Review Society for mediation. Blue Cross will then abide by the decision of the Peer Review Society.
3. If the Prudent Buyer Physician continues to balance bill the member during the period of dispute, Blue Cross will request that the physician discontinue the balance billing until the dispute has been adjudicated. However, in the event the Prudent Buyer Physician threatens legal or collection action, Blue Cross will issue a check to cover the disputed bill. Blue Cross will have a system to recoup any of the above payments made if Blue Cross is upheld.
4. If for any reason the Prudent Buyer Physician refuses to accept the decision of the Peer Review Society and proceeds to obtain a legal judgment against the member for any unpaid balances for services covered under the Blue Cross Agreement, Blue Cross will represent the member in such legal proceedings and hold him harmless for any such balances.
5. Members and their dependents will be held harmless for charges above the negotiated rate when utilizing Prudent Buyer services and/or if referred to a Non-Prudent Buyer by a Prudent Buyer.

Explanation: Amend Blue Cross Prudent Buyer Plan to clarify current practice in eligibility section. Add Third Party Liability provision. Amend reimbursement level under non-preferred basic benefits to 80%. Add provision for Case Management. Add pre-authorization clause for non-preferred inpatient admissions. If pre-authorization is not obtained, there will be a \$250 copayment for the admission. Add \$15 copayment for outpatient hospital emergency care. Increase doctor visit copayment to \$10. Clarify existing practice under Hospice Care. Carve out psychiatric benefits for inpatient and outpatient services to be provided under separate program effective March 1, 1991. Modify exclusions and limitations to clarify current provisions.

BENEFIT AGREEMENT EXHIBIT D SUBSTANCE ABUSE/MENTAL HEALTH PLAN

Effective Date

This Plan is effective on March 1, 1991 for Substance Abuse benefit coverage and on March 1, 1991 for mental health benefit coverage. Managed care vendor and network will be chosen jointly by the Company and Union.

Eligibility and Membership

All employees, retirees, surviving spouses and their dependents who are eligible for medical coverage are eligible for membership in this Plan.

All employees, retirees, surviving spouses and their dependents who are members of a medical

plan except Kaiser Foundation (contingent upon Kaiser providing improved service in this area) are automatic members of this Plan. Coverage for this Plan will begin after timely enrollment in a medical plan and will begin coincident with coverage commencing under that plan.

Summary of Coverage

Members of the Blue Cross of California Prudent Buyer Plan and the PG&E Medical Plan may receive coverage for substance abuse and mental health benefits.

Members of the Health Maintenance Organizations (HMOs) other than Kaiser Permanente may receive coverage for substance abuse benefits.

SUBSTANCE ABUSE BENEFITS

Service Area

Nationwide.

Accessing Service

Patients must contact PG&E's Employee Assistance Program (EAP) or the vendor to obtain a referral to a treatment provider.

Services Provided

The Plan covers only services necessary for providing a substance abuse treatment program that is appropriate to treat the patient's specific condition. Services may include detoxification, inpatient care, residential care or outpatient care.

Treatment for other family members is covered when necessary as part of the treatment of the patient.

Approval of Services

All services must be preauthorized by EAP or the vendor before the services will be covered.

Number of Treatment Programs

The Plan provides two courses of treatment during the patient's lifetime. A partially completed treatment program will be counted as a full course of treatment.

Any courses of substance abuse treatment received under other PG&E sponsored medical plans such as the Blue Cross Plan will be counted towards the number of treatment programs remaining under this Plan.

Level of Coverage

This plan pays 100% coverage for the first course of treatment and a \$100 deductible for the second course of treatment.

Nonduplication of Benefits and Third Party Liability

Yes. Must follow the Substance Abuse/Mental Health Plan rules to receive benefits if PG&E is the secondary carrier.

Limitations and Exclusions

Kaiser Permanente members are not eligible for substance abuse benefits.

To receive coverage under the Substance Abuse Benefits provisions, the primary diagnosis must be substance abuse. Otherwise, expenses for substance abuse treatment will be covered according to the provisions of the patient's health plan that covers the primary diagnosis.

Eligible expenses for acute medical treatment resulting from substance abuse problems such as drug overdose are covered under the participant's medical plan.

Treatment for eating disorders or tobacco addiction is not covered.

If a family member receives treatment as part of the approved services for the patient being treated, the family member's treatment is covered as part of the patient's treatment program. Otherwise treatment may be covered under this Plan or under the provisions of the participant's medical plan if the family member is an eligible plan member.

Services that are not pre-approved by EAP or the vendor are not covered.

MENTAL HEALTH BENEFITS

Service Area

Nationwide.

Accessing Service

Patients must contact the Employee Assistance Program (EAP) or the vendor to obtain a referral to a treatment provider to receive in-network coverage.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

Patients may receive treatment without obtaining a referral from EAP or the vendor. These treatment services will be covered as out-of-network benefits.

Services Covered

This Plan covers only those services necessary for providing appropriate care to treat a patient's mental health illnesses and problems. Services may include inpatient hospitalization, residential care, day programs, outpatient counselling and therapy, group therapy, and psychiatric treatment.

Treatment for other family members will not be covered as part of the patient's treatment unless it is specifically part of the patient's treatment program.

Approval of Services

All services must be pre-approved by EAP or the vendor for the services to be covered as in-network benefits. EAP or the vendor must be notified within 48 hours of an emergency hospital admittance in order for the hospital stay to be covered as in-network benefits.

Nonduplication of Benefits and Third Party Liability

Yes. Must follow the Substance Abuse/Mental Health Plan rules to receive benefits if PG&E is the secondary carrier.

Level of Coverage:	In-Network	Out-of-Network
Inpatient Hospitalization	100% Approved Treatment Plan	50% of Cost Inpatient/Residential Lifetime Maximum Benefit of \$15,000
Partial Hospitalization/ Residential Treatment	100% Approved Treatment Plan	50% of Cost Inpatient/Residential Lifetime Maximum Benefit of \$15,000
Outpatient Treatment	100% with \$10 Copayment Approved Treatment Plan	50% of Cost Annual Maximum Benefit of \$1,500
Maximum	There is a \$350,000 lifetime maximum on all mental health benefits, with \$2,000 annual restoration against the lifetime maximum.	

Exclusions and Limitations

Mental health benefits for HMO members are not covered.

Custodial mental health care is not covered.

To receive coverage under the Mental Health Benefits provisions, the primary diagnosis must be mental health. Otherwise, expenses for mental health treatment will be covered according to the provisions of the patient's health plan that covers the primary diagnosis.

Treatment for eating disorders or tobacco addiction is not covered.

If a family member receives treatment as part of the approved services for the patient being treated, the family member's treatment is covered as part of the patient's treatment program. Otherwise treatment may be covered under this Plan or under the provisions of the Blue Cross of California Prudent Buyer Plan or the PG&E Medical Plan if the family member is an eligible plan member.

Out-of-network benefits are limited to \$1,500 annually for outpatient treatment and \$15,000 lifetime for inpatient and residential-type treatment. Total benefits are limited to \$350,000 with a \$2,000 annual restoration.

If EAP or the vendor are not notified within 48 hours of an emergency admittance, the admittance will be covered as out-of-network until the patient receives a prospective referral from the vendor or EAP.

Services for long-term psychotherapy and psychoanalysis are not covered.

Explanation: Substance Abuse and Mental Health benefits will consist of two separate programs under one overall plan. The benefits will be as follows:

Substance Abuse - Effective March 1, 1991, all employees, retirees, surviving spouses and eligible dependents of the Blue Cross Prudent Buyer Plan or a participating HMO (with the exception of Kaiser Permanente) will be covered for substance abuse benefits through a separate treatment program. Participant must contact **either EAP or the vendor** prior to services being rendered for treatment to be covered. Kaiser Permanente members will have access to a new treatment program for substance abuse provided through their own medical plan.

Mental Health - Effective March 1, 1991, Blue Cross participants will have mental health benefits available through a separate treatment program instead of Blue Cross. The plan provides for 100% coverage by using a "network" provider or 50% coverage by using a "non-network" provider. Participant must contact **either EAP or the vendor** prior to services being performed in order to receive "in-network" benefits. Benefits include coverage for hospitalization, residential treatment, and outpatient services.

BENEFIT AGREEMENT EXHIBIT E MAIL SERVICE PRESCRIPTION DRUG PROGRAM

Effective Date

This Plan is effective on March 1, 1991.

Eligibility and Membership

All employees, retired employees, surviving spouses and their dependents who are eligible for the Blue Cross of California Prudent Buyer Plan are eligible for membership in this Plan.

All employees, retired employees, surviving spouses and their dependents who are members of the Blue Cross of California Prudent Buyer Plans are automatic members of this Plan. Coverage for this Plan will begin after timely enrollment in the Prudent Buyer Plan and will begin coincident with coverage in the Prudent Buyer Plan.

Service Area

Nationwide.

Benefits Covered

Prescribed maintenance medications.

How the Plan Works

Members can order prescription drugs from the Plan's vendor either by phone or mail. For initial orders through the Plan, member must send vendor prescription along with copayment. Vendor will fill prescription typically with a 90 day drug supply and mail it via U.P.S. or first class mail.

Level of Coverage

The Company pays 100 percent of the cost of each filled prescription less the member's copayment. The per order copayment is \$8, \$9, and \$10 for 1991, 1992 and 1993 respectively.

Limitations

The member may not receive coverage for a specific order under both this Plan and any other medical plan sponsored by PG&E.

Generic equivalent drugs will be substituted for brand-name drugs, unless doctor specifically requires a brand-name drug.

Copayments do not apply to other medical plan deductibles.

Exclusions

Drugs that are not approved by the Food and Drug Administration.

Drugs that do not require a prescription.

Drugs that are not carried by the vendor.

Birth control pills or other prescriptive contraceptives unless written documentation of medical necessity from physician is provided.

Retin-A for participants who are 26 years of age or older unless written documentation of medical necessity from physician is provided.

Drugs for treatment of conditions that are excluded under the Blue Cross of California Prudent Buyer Plan.

Explanation: The following program will become effective on March 1, 1991, for all employees, retired employees, surviving spouses and their eligible dependents who are covered under the Blue Cross Prudent Buyer Plan. This mail order program is designed for **prescribed maintenance medications** only. Prescriptions are filled for a 90 day supply after a minimum copayment.

EXHIBIT F KAISER FOUNDATION HEALTH PLAN

SERVICE AREA The geographical area within a radius of 30 miles of any Kaiser Permanente medical facility within the following counties: Alameda, Amador, Contra Costa, El Dorado,

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

Placer, Sacramento, San Francisco, San Joaquin, San Mateo, Santa Clara, Solano, Sonoma, Sutter, Tulare, Yolo, and Yuba. Service area to be expanded to include counties within PG&E Service Territory available through Kaiser Permanente Southern California.

Explanation: Expand service territory to include counties available in Southern California.

BENEFITS

*Inpatient Drug or Alcoholism Care

PLAN

Hospitalization for detoxification is limited to removal of the toxic substance or substance from the system, and is covered no more than three times in one calendar year for any condition.

*Outpatient Drug or Alcoholism Care

Treatment and counseling is provided, *in the doctor's office*.

All additional benefits remain unchanged.

* The continuation of these benefits under the Kaiser Foundation Health Plan is contingent upon Kaiser's improvement of its substance abuse program. In the event that Kaiser does not meet their commitment to improve their substance abuse program, coverage will be provided through the separate treatment program.

Explanation: Kaiser is in the process of expanding their substance abuse program. New program will be evaluated by Company and Union for possible coverage to our Kaiser members. Information will be provided at a later date.

EXHIBIT G FOUNDATION HEALTH PLAN

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

Provided as per listed benefits above for diagnosis, detoxification and treatment of medical complications. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

Provided as per listed benefits above for diagnosis, detoxification and treatment of medical complications. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT H MAXICARE

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

Limited services provided at no charge. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

Limited services provided at no charge. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT I HEALTH PLAN OF THE REDWOODS

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

Provided in a licensed detoxification unit for that period of time medically necessary. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

Provided for diagnosis and medical treatment when medically necessary. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT J BAY PACIFIC HEALTH PLAN, INC.

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

No charge for direct care and treatment of the acute phases of the abuse of or addiction to alcohol or drugs. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

No charge for direct care and treatment of the acute phases of the abuse of or addiction to alcohol or drugs. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT K LIFEGUARD

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

Provided as per listed inpatient psychiatric benefits above for diagnosis detoxification and treatment of medical complications. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

Provided as per listed outpatient psychiatric benefits above for diagnosed detoxification and treatment of medical complications. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT L HEALS PLAN

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

No charge for detoxification and crisis intervention services only. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

No charge after \$15 co-payment per visit for crisis intervention services. Limited to 20 visits per year. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT M HEALTH NET

BENEFITS

Inpatient Psychiatric Care

PLAN

Not provided. 30 days per calendar year no charge. (Amended 1/1/91)

Inpatient Drug or Alcoholism Care

No charge for drug and alcohol abuse, acute care/detoxification. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

No charge for drug and alcohol abuse, acute care/detoxification. Provided under separate treatment program effective March 1, 1991.

All additional benefits remain unchanged.

Explanation: Carve substance abuse benefits out and provide expanded coverage through a separate program. Add coverage for inpatient psychiatric care.

EXHIBIT N THE HEALTH PLAN OF AMERICA

BENEFITS

Inpatient Drug or Alcoholism Care

PLAN

No charge for detoxification when medically appropriate and approved by a Plan Physician. Provided under separate treatment program effective March 1, 1991.

Outpatient Drug or Alcoholism Care

No charge for detoxification when medically appropriate and approved by a Plan Physician. Provided under separate treatment program effective March 1, 1991.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT O TAKECARE

BENEFITS

PLAN

Inpatient Drug or
Alcoholism Care

*Provided at no charge for detoxification phase of alcoholism, drug
addiction and other chemical dependency problems. Provided
under separate treatment program effective March 1, 1991.*

Outpatient Drug or
Alcoholism Care

*Not provided. Provided under separate treatment program
effective March 1, 1991.*

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT P VALUCARE

BENEFITS

PLAN

Inpatient Drug or
Alcoholism Care

*No charge for detoxification phase of hospitalization. Provided
under separate treatment program effective March 1, 1991.*

Outpatient Drug or
Alcoholism Care

*Up to 20 visits per calendar year when authorized by Medical
Director. Subject to co-payment of 50% of providers charges.
Provided under separate treatment program effective March 1,
1991.*

All additional benefits remain unchanged.

Explanation: Carve benefits out and provide expanded coverage through a separate program.

EXHIBIT Q BENEFIT AGREEMENT PG&E MEDICAL PLAN Effective January 1, 1993

Criteria of Company-Sponsored Medical Plan

- Replaces the current Prudent Buyer Plan with a Point of Service Managed Care Plan.
- The Company-sponsored medical plan will feature a point-of-service plan. Employees who live in the point-of-service plan territory will be eligible to enroll only in the point-of-service plan or in an HMO that is offered in their area.
- Employees who do not live in the point-of-service plan territory will be eligible to receive the benefits proposed in Exhibit C. The Plan's administrator may be a vendor other than Blue Cross of California.
- If in subsequent open enrollments the territory of the point-of-service plan network expands, employees will be eligible to enroll only in the point-of-service plan or the HMO that is offered in their area.
- Company and Union to jointly select the Managed Care Vendor to administer the point-of-service plan.
- Managed care vendor should meet all the following objectives in order to be a candidate for becoming the administrator for the point-of-service plan.
- If an acceptable managed care vendor cannot be agreed upon, the effective date of point-of-service plan will be postponed. In that event, employees would continue to be covered under Exhibit C or their participating HMO.

Access Objectives

- Each employee and dependent to have a choice of two primary care physicians (PCPs) within 30 minutes driving time of the employee's residence.
- Specialty care physicians to be located within 30 minutes driving time of employees' homes.
- Appointment waiting times for both primary and specialty physicians to be equal to or better than community norms.
- An initial appointment for primary or specialty care to be available within 3 to 4 weeks.

-Urgent (non-emergency) care should be available on the same day basis.

-There will be 24-hour on call physician coverage. There will be 24 hours per day, 7 days per week, urgent and emergency care available within a 30 minute drive time from employees' homes and PG&E work sites.

-There will be a choice of physicians (at least 2) in every specialty area.

-A full array of ancillary services should be provided or arranged by the network (lab, radiology, home health care, wellness and extended care facilities).

Quality Objectives

-Primary care physicians to be of the highest quality and serve as the coordinator of health care resources to assure that appropriate levels of care are provided and unnecessary diagnostic and treatment procedures are avoided.

-There will be a comprehensive provider credentialing process to ensure that the selected physicians are of the highest quality.

-The program should emphasize preventive care and promote wellness activities.

-Specialty physicians to be of the highest quality and have ready access to efficient state-of-the-art diagnostic and therapeutic technology.

-For extremely complicated medical problems such as organ transplants, the program should offer the best available specialized care in the country.

-Participating physicians to be affiliated with the highest quality and most efficient community and teaching hospitals.

-Quality measurement to be an integral component of the program to assure the provision of high quality health care and service using explicit and objective standards. Physician profiling should be one component of this process.

-There will be a demonstrated commitment to quality assurance (QA) including a written QA plan and structured committees that meet regularly to address potential and actual quality problems.

-There will be methods of measuring employee satisfaction and evidence of actions taken in response to problems.

-The program will have a process to measure outcomes so that treatment protocol and standards can be continually improved.

Cost Effectiveness Objectives

-Unnecessary diagnostic and treatment services should be eliminated.

-The most appropriate level of care should be utilized for each diagnostic or therapeutic service to assure that care is both cost effective and of high quality. Acute care facilities should only be used when an enrollee's medical condition prevents the use of alternatives such as home care services, ambulatory surgery centers or intermediate care facilities.

-Outpatient treatment should be monitored to ensure that it is high quality and cost effective so as not to offset the savings from reduced inpatient utilization.

-Charges to PG&E should be equal to or less than any other major purchaser of care.

-The cost should be at the lowest possible level without compromising quality.

Description of the Point-of-Service Plan

-Under the Point-of-Service Plan, each time the participant uses medical care, the participant decides whether to use a network provider or a non-network provider. Coverage is typically 100 percent with minimum copayments when using a network provider and 75 percent when using a non-network provider.

-The cornerstone to the point-of-service plan is the primary care physician. Employees must select one of the network's primary care physicians. This physician will oversee care and refer the participant to a specialist. The participant cannot use specialists or ancillary services without the primary care physician's approval if receiving in-network coverage.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

Proposed Point-of-Service Plan Design

	NETWORK PROVIDER	NON-NETWORK PROVIDER
	ALL SERVICES AND SUPPLIES MUST BE PROVIDED OR AUTHORIZED BY PRIMARY CARE PHYSICIAN	ALL ELIGIBLE CHARGES ARE SUBJECT TO AN ANNUAL DEDUCTIBLE
Annual Deductible Per Calendar Year	None	\$100 individual \$300 family
Out-of-Pocket Maximum (Copayments will apply to out-of-pocket maximum)	\$500 individual \$1,000 family	\$2,500 individual \$5,000 family
Individual Lifetime Maximum	Unlimited	\$1,000,000
HOSPITAL BENEFITS		
Room and Board	Plan pays 100%	Plan pays 75% of covered expenses.
Hospital Services	100%	75% of covered expenses.
Special Duty Nursing	100%	75% of covered expenses.
Outpatient Hospital Emergency Care	100% after \$15 copayment.	75% of covered expenses.
Skilled Nursing Facility	100%	75% of covered expenses.
Ambulance Services	100%	75% of covered expenses.
Ancillary Services	100%	75% of covered expenses.
PROFESSIONAL BENEFITS		
Surgery	100%	75% of covered expenses.
Doctor's Visits		
	HOSPITAL VISITS: Covered Expense.	75% of covered expense.
	OFFICE & HOME VISITS:	
	Accident Covered Expense.	Covered Expense.
	Illness - Office visit \$10 copayment per visit. - Home visit \$10 copayment per visit.	75% of covered expenses. 75% of covered expenses.
Consultation	100% after \$10 copayment	75% of covered expenses.
MEDICAL BENEFITS		
Routine Physical Exams	100% after \$10 copayment.	Not covered.
Examination for Eyeglasses	Not provided. Covered under VSP Plan.	Not provided. Covered under VSP Plan.
Outpatient Physical Therapy, Chiropractic and Acupuncture	80% of approved treatment plan.	75% of approved treatment plan.
Diagnostic x-ray and Laboratory Exams	100%	75% of covered expenses.
Pap Smears	100%	75% of covered expenses.
Radiation Therapy	100%	75% of covered expenses.
Inpatient Dental Care	\$100% up to 3 days of hospital benefits if medically necessary.	75% of covered expenses up to 3 days of hospital benefits if medically necessary.
Well-Baby Care	100% after \$10 copayment	75% of covered expenses up to \$100.

Supplemental Accident	Pays 100% for covered services within 90 days of accident, including out-of-hospital physical therapy, hospital room and board, registered nursing care. Includes dental service for accident.	Pays at 100% up to \$500 for covered services within 90 days of accident, including out-of-hospital physical therapy, hospital room and board, registered nursing care. Includes dental service for accident. pays 75% or 100% of covered expenses thereafter.
Home Health Care	100%	75% of covered expenses.
Inpatient Prescription Drugs	100%	75% of covered expenses.
Outpatient Prescription Drugs	80%	75% of covered expenses.
Hospice Care	100% of approved treatment plan.	75% of approved treatment plan.
Injections	100%	75% of covered expenses.
Immunizations	100%	75% of covered expenses.
Maternity Care	Covered as any other illness.	Covered as any other illness.
Inpatient Psychiatric Care	Provided under separate treatment program.	Provided under separate treatment program.
Residential Treatment/Partial Hospitalization	Provided under separate treatment program.	Provided under separate treatment program.
Inpatient Substance Abuse Care	Provided under separate treatment program.	Provided under separate treatment program.
Outpatient Substance Abuse Care	Provided under separate treatment program.	Provided under separate treatment program.
Artificial Limbs and Rental of Mechanical Equipment	80% of covered expenses.	75% of covered expenses.

Miscellaneous Comments:

- Network physicians responsible for referral to other health care providers and for contacting utilization review.
- Same eligibility provisions as indicated in Exhibit C shall apply.
- Coordination of Benefits shall apply.
- Services available at in-network benefits when performed or authorized by your Primary Care Physician (PCP). If you choose to go out-of-network, benefits will be reimbursed at a lower percentage level.
- Members and their dependents may select any licensed physician and surgeon anywhere in the world and received care from any licensed general hospital and be eligible for full payment if he/she fall into any of the following categories:
 - (1)Members and their dependents are eligible for payment at the same percentage as the network levels and may in writing appeal to the carrier for total payment if:
 - Member has an eligible dependent attending school away from home and there are not network services available within 30 road miles of their school residence; or,
 - Member or eligible dependent is working away from home and cannot utilize network services.
 - (2)Participant will be eligible for full payment in an emergency situation and while the emergency situation requires immediate medical attention.
- Hold Harmless Agreement patterned after Exhibit C shall apply.
- Required Arbitration shall apply.
- Termination of coverage and conversion provisions as indicated in Exhibit C shall apply.
- Exclusions and limitations under Exhibit C which are not specifically addressed in this exhibit shall apply.

Explanation: Effective January 1, 1993, a managed-care "Point-of-Service" Plan will be introduced to replace the Blue Cross Prudent Buyer Plan. This new plan will be called the "PG&E Medical Plan". Under this new plan, the participant would need to select a "Primary Care Physician" ("PCP") from the "Provider/Network" listing. This "primary care physician" would oversee all "in-network" medical care and refer the participant to a specialist when necessary.

Under the PG&E Medical Plan, members will receive a higher level of benefits by using their designated "primary care physician". At any time members have the option of going "out-of-network" by using any provider of their choice, however, the benefit level will be less.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

90-208-PGE

October 1, 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:

During the 1990 General Negotiations, the parties discussed the issue of health promotion and disease prevention. As a result of these discussions it was agreed to establish a Healthwise program to enhance the quality of employees' lives by the promotion of health and fitness through education and support of healthy lifestyles. The proposed Healthwise program is attached and is intended to be monitored and amended by the parties during the term of the agreement as necessary.

This agreement may be cancelled by either party upon 30 days written notice to the other of such cancellation.

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

By: _____
Richard Bradford, Manager of Industrial Relations

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

_____, 1990

By: _____
Jack McNally, Business Manager

HEALTHWISE HEALTH PROMOTION AND DISEASE PREVENTION

PURPOSE OF PROGRAM

To enhance the quality of our employees' lives by promoting health and fitness through education and support of healthy lifestyles. Two objectives are, a reduction in employees' risk of illness, and a resulting containment in PG&E's health care costs.

PROPOSAL:

Union proposes to establish a multi-faceted health promotion and disease prevention program to be implemented and evaluated to all employees. The program should result in a reduction in employee's risk of illness and a resulting containment in health care costs.

PROGRAM DESIGN:

- Maintain Healthwise logo and name for Company-wide health promotion program.
- The program will have three distinct components -- promoting awareness, promoting lifestyle change and finally, provision of a supportive work environment, with organizational policies consistent with our goals of health promotion, i.e., smoking policy, healthy food offerings in vending machines and the cafeteria and incentives to support practice of healthy behavior.
- The program will be designed and conducted by outside vendor.
- The program will include confidential personal identifiers so that the program effectiveness can be evaluated as approved by the joint steering committee.
- The program will have voluntary employee participation program designed and promoted in such a way as to maximize employee participation.
- The program will be equitable for all employees, whether their work site is in a metropolitan or rural area, having access to the same activities.
- The program will be monitored on a regular basis as determined by the joint steering committee.
- The program will be a community based program rather than work site based for two important reasons -- convenience and confidentiality.
- For general employee population: a multi-faceted program which may offer health risk appraisals, referrals to classes and workshops, and may reimburse for classes and a subscription to the Healthwise newsletter.

-For employees with high risk factors, specialized classes and other activities, because high risk equals high cost.

DELIVERY COMPONENTS:

Health Risk Appraisals

- Health risk appraisal questionnaire (mailed to employee home) and on-site screenings for blood pressure and cholesterol levels on Company time.
- Screenings to occur on two-year cycle -- with 1/2 of Company screened in 1991, remainder in 1992. Cycle to repeat in 1993.

Health Education

- Mail Healthwise newsletter quarterly to both active employees and retirees homes.
- Develop listing for employees of free educational resources available in the community, i.e., resource libraries, hospital based telephone information systems and hotlines.

Referrals to Community Resources

- State of California, Office of Prevention's toll free 800 number for referrals to self-directed support groups on most health areas.
- State of California, Office of Prevention's Wellness Workbook. The workbook, keyed to the Pacific Bell Yellow Pages, provides a brief summary of what to look for in a service, i.e., nutrition workshop, health club, then provides information on where listing can be found in Yellow Pages.

Establish Classes to Target High Risk Areas

- Identification of high cost lifestyle risk factors through a lifestyle claims analysis.
- Prioritize areas of high cost and develop programs, such as a cardiac risk reduction program for employees with high risk factors.
- Classes to be on a voluntary basis to participants.
- Restricted participation -- employee must meet certain criteria.

Establish Reimbursement Program

-Company to reimburse employees for participation in nutrition, weight loss, prenatal care, and smoking cessation programs. Maximum reimbursement amount is \$100 annually.

PROGRAM SUPPORT:

Joint Steering Committee

Overall program coordination and vendor management will reside at Corporate Headquarters. Committee will consist of half labor and half management.

Recommendation

-One PG&E person should be designated accountable for the program and that person responsible for formation of a steering committee and delegation of tasks. The committee should meet regularly to review progress, troubleshoot and develop strategic plans for future activities.

-The program will be designed to minimize time commitment on the local level. Each division will designate an employee to act as local coordinator. To ensure an ongoing commitment to the program, the local coordinator's job description will include work on the Healthwise program.

Promotion/Communication

An ongoing, highly visible marketing program is key to the success of the health promotion program for it can sustain interest in healthy lifestyles over the years, as well as increase participation in the program.

In addition to the Healthwise newsletter to communicate the program through additional vehicles:

- A description of the health promotion program included in the Summary of Benefits Handbook.
- A message describing the program sent out annually with open enrollment materials and a line item in the Total Comp Statement.

IMPLEMENTATION PLAN:

- Year 1 - Launch general program.
- Year 2 - General program and target first high risk area.
- Year 3 - General program, continue working in first high risk area, and initiate second high risk topic.
- Year 4 - General program, continue working in first and second high risk areas, and initiate third high risk topic.

SPECIAL SUPPLEMENT: PG&E CONTRACT OFFER

EVALUATION:

An evaluation will be conducted to assess the impact of the program on short term, intermediate and long range objectives. Because data for the evaluation phase of the program will be obtained from various departments throughout the company, strong working relationships should be established with Safety Health and Claims, EAP and other groups to ensure ready access to this information.

Examples of data to be collected and analyzed:

- Average sick hours
- Inpatient and outpatient case rates
- Accident rates
- Disability rates
- Health risk appraisal profiles

Cost-effect and/or cost-benefit analyses are time consuming and expensive to conduct. The greatest value of the cost-benefit analysis is to provide justification for the program in future years.

A process evaluation will be ongoing and will measure participation and satisfaction levels. It will provide the necessary feedback for program refinement.

Explanation: establish a multi-faceted health promotion and disease prevention program to be implemented and evaluated to all employees. The program should result in a reduction in employee's risk of illness and a resulting containmnet in health care costs.