



**LETTER AGREEMENT
NO. 97-42-PGE**

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
375 NORTH WIGET LANE, SUITE 150
WALNUT CREEK, CALIFORNIA 94598
(510) 746-4282

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

MEL BRADLEY, MANAGER OR
DAVID J. BERGMAN, CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

February 27, 1997

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

Since 1988, Outage Incentive Programs which award paid time-off for achieving defined outage goals have been offered to employees performing work on refueling outages at the Diablo Canyon Power Plant (DCPP). The most recent agreement, 96-12, covered the seventh refueling outage of Unit 2.

Because the program has proven to be highly effective by minimizing outage duration while focusing on established safety and quality standards, the Company proposes an outage incentive program for the eighth refueling outage of Unit 1 (1R8) scheduled to begin in April 1997.

The details of the proposed Outage Incentive Program for the 1R8 outage are provided as Attachment A. The administrative guidelines are provided as Attachment B.

Employees assigned to NPG or other employees who are assigned to directly support the 1R8 outage are eligible to participate in the Outage Incentive Program. Specific eligibility will be determined by the Outage Incentive Program Administrator.

This proposal applies only to the 1R8 refueling outage and shall not be construed as a commitment to propose any such program in the future.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Chief Negotiator

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

March 24, 1997

By: 
Business Manager

1R8 OUTAGE INCENTIVE

I. Safe and Error-Free Award

<u>window #</u>	<u>outage window/description</u>	<u>award hours</u>
1	separate from grid to set rx head on stand	2
2	rx head on stand to rx core unload	2
3	rx core unload to rx core reload	3
4/5	rx core reload to mode 5	3
6	mode 5 to mode 4	3
7	mode 4 to parallel to grid	2
8	power ascension	1
		----- 16 hours

Any significant personnel related error that leads to an NCR will eliminate the full award hours available for that window. A disabling (lost time) injury occurring in any outage window will automatically eliminate the full award hours for that outage window. At the end of each outage window, if there were no significant personnel related errors and no disabling injuries, the NPG Managers will evaluate and determine each window's award hours. Potential cited level IV NOV's always reduce the incentive for that window by at least 1 hour, even if the award for that window is already zero. The award granted will reflect the number and nature of "minor" errors or injuries that occurred during each outage window.

If a particularly severe error occurs that results in a level 3 NOV, or a serious personnel injury, or significant damage to plant equipment, then the Senior Vice President of Nuclear Power Generation may, at his sole discretion, reduce to zero the incentive hours for multiple windows, the entire Safe and Error Free award, or the overall 1R8 incentive, depending upon the seriousness of the error/injury.

Safe and Error Free Bonus

possible 16 hours

If the entire outage is completed with **no** severe or significant errors and personnel injuries (as defined above) and the outage duration is less than or equal to 46 days, a 16 hour "bonus" will be added to the final incentive earnings. This is an all or nothing bonus award. Under no circumstances can the overall 1R8 outage incentive award (with all earned bonuses included) be greater than 56 hours.

II. Alara Award

personnel radiation exposure (person-rems)

less than or equal to 175	4 hours
more than 175 but less than or equal to 185	3
more than 185 but less than or equal to 195	2
more than 195	0

Radioactive Waste Reduction

less than or equal to 42,500 lbs. of dry active waste	2 hours
---	---------

III. Duration Award

The outage duration is defined as the time between opening the breaker, when we first come off line, to closing the breaker when we parallel to the grid. The 1996 US nuclear industry median duration for Fall outages was 46 days. In keeping with the intent of a "bonus", the 1R8 outage duration incentive only awards performance that is superior to the industry median.

Breaker to Breaker Outage Duration

outage duration accomplishment (days)

less than or equal to 34 days			See Duration Bonus
	35	1R8 Goal	16 hours
	36		14
	37		12
	38		10
	39		8
	40		6
	41		5
	42		4
	43		3
	44		2
	45		1
	46	Industry Median	0
greater than 46			See Duration Penalty

Duration Penalty: For every day longer than the 46 day industry median, 3 hours are subtracted from the overall incentive award hours earned, (until zero is reached). Note that the duration penalty forces the overall 1R8 outage award to zero, at the latest, when the outage breaker to breaker duration reaches 54 days.

Duration Bonus: For every day shorter than the 35 day goal, 3 hours are added to the overall incentive award hours earned **as long as** the Safe and Error Free total award is 8 hours or greater **and** no severe error or personnel injury is suffered. Under no circumstances can the overall 1R8 outage incentive award (with all earned bonuses included) be greater than 56 hours.

Duration Adjustments: The Senior Vice President of Nuclear Power Generation, at his sole discretion, can adjust the breaker-to-breaker duration achieved for award calculation purposes for "significant" events not under NPG's control. Examples would include PG&E System Operation's requesting Unit 1 to remain off line (hydro spill) or a management/NRC request to pull steam generator tubes. "Normal" unanticipated work scope additions *will not* merit duration adjustment.

Ascension to Full Power Duration

This incentive is earned based on the number of days required to achieve stable conditions at greater than or equal to 90% power from initial generator parallel. Should conditions occur for any reason during power ascension that require the breaker to be reopened for more than two (2) days, we are back into the outage and for the purposes of the incentive calculation, the duration count will continue. If this occurs, the power ascension time clock would be reset to zero at the second breaker closing, and the incentive for power ascension could still be earned.

less than or equal to 5.5 days	2 hours
greater than 5.5 days	0

IV. Overall Award

A maximum of 56 vacation hours can be earned through this incentive.

The Senior Vice President of Nuclear Power Generation may, at his sole discretion, reduce the incentive hours earned if adverse quality, safety, performance or regulatory issues arise that have a significant direct impact on outage results or overall plant performance. Such issues may include, but are not limited to, major violations of regulations, significant radiation overexposure, significant personnel injuries or employee fatalities and "trips" that occur due to outage-related work prior to the scheduled start of the outage.

**Diablo Canyon Power Plant
1R8 Outage Incentive Program
PG&E Regular Status and Temporary Additional Employees**

ADMINISTRATIVE GUIDELINES

A. General Eligibility

All NPG employees and PG&E employees who are matrixed or assigned to Diablo Canyon Power Plant (DCPP) operations in support of the Unit 1 Eighth refueling outage will be eligible for participation in the program.

PG&E employees from outside of NPG that contribute to the outage are eligible for the incentive at the discretion of their management.

Participants who leave before the end of their outage assignment or who are terminated will not be eligible for an outage incentive award. Specific employee eligibility will be determined by NPG management and Human Resources.

B. Individual Award Determination

The 1R8 Outage Incentive Program provides for an option of additional paid time-off or a monetary award, similar to past Outage Incentive programs.

1. Individual incentives will be determined by the final incentive determination of the Senior Vice President of NPG based on the program criteria outlined in the 1R8 Outage Incentive Program for PG&E Regular Status Employees and Temporary Additional Employees.
2. The individual incentive basis applicable to the employee's organization and status is as follows:
 - a) NPG Regular Full-Time Employees and other matrixed PG&E employees who work at DCPP full time, who are on active payroll at the end of the outage, will receive the full incentive earned.
 - b) Other PG&E Regular Full-Time Employees will receive a prorated incentive based on the number of days worked in support of the outage as outlined under "Pro-Rated Incentives" below.

- c) Outage Temporary Additional Employees, Co-ops, and Summer Interns will receive an incentive based on the same criteria as outlined in 2.b) above. Assignments must be completed to be eligible for the incentive. Pro-rated incentives as outlined in "C" below apply as well.
- d) Employees in Full-Time Equivalent Job Share Arrangements will receive an incentive the same as full-time employee, but allocated according to the job share arrangements.
- e) PG&E part-time employees will receive an incentive equivalent to full-time days worked in support of the outage.

C. Pro-Rated Incentives

For eligible employees who work a number of days not equal to the actual time between "breaker open to Mode 4", the individual incentive will be determined by dividing the total number of days worked in direct support of the outage* by the total number of days from breaker open to Mode 4. Awards will be rounded to the nearest whole hour.

Example: If the final incentive hours earned determined by the SR. VP - NPG is 40 hours,
And, if the "breaker open to Mode 4" actual duration is 33 days,
And, if a matrixed employee works 18 days in support of the outage:

Individual Incentive = $\frac{(18 \text{ days worked in support of the outage})}{33 \text{ days}} \times 40 \text{ hours}$
final award = 22 hours earned (33 days = actual breaker open to Mode 4)

- * The number of days worked in direct support of the outage may include time worked just prior to the breaker open period, if the individual's assignment is scheduled to complete before we reach Mode 4.
Examples: access & badging personnel, trainers, planners & schedulers.

D. Incentive Award Election

An election form will be sent to all eligible PG&E employees once the earned award is determined following the completion of Power Ascension. Employees will be asked to specify the amount of additional time off they select, if any, with the remainder to be received as a monetary award. Employees will be requested to return their election form within two weeks of issuance. If the form is not returned on time, the employee will automatically receive the default monetary award. Employees who elect additional paid time off will be required to use such additional paid time off prior to using vacation under Title 111 of the Agreement. Any additional paid time off earned under this program must be used by December 31, 1998. Any unused portion of such paid time off not used by December 31, 1998 will be eliminated and the employee will be reimbursed for the unused time off.

Temporary Additional workers will only be eligible to receive the monetary award.

E. Term

This program applies only to the Unit 1 Eighth Refueling Outage (1R8).

F. Exceptions

All exceptions will be directed to the Outage Incentive Program Administrator, NPG Human Resources and will be subject to Officer approval.

G. Contractors

If applicable, outage contractors will receive an outage incentive which has been negotiated as a part of their employer's contract with PG&E. Any questions should be referred to the contractor's employer.