



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 05-58-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(925) 974-4104

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 2547
VACAVILLE, CALIFORNIA 95696
(707) 452-2700

STEPHEN A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

October 31, 2005

Mr. Perry Zimmerman, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Zimmerman:

In Letter Agreement 97-139, Section 4, the Company and Union agreed to provide both initial and replacement uniforms to Firefighters and Fire Captains at the Diablo Canyon Power Plant. To accomplish this, employees were given a sum of \$532 each January to purchase uniform replacements. They were required to submit receipts by the end of the year for the purchases and were taxed on any of the \$532 sum that was not spent. It has come to our attention that under IRS guidelines, this might not be an acceptable method of payment.

Therefore, the Company proposes that, on an annual basis, employees submit a form to the Company requesting replacement uniform pieces; and the Company will purchase them directly. The maximum dollar amount for replacement of eligible uniform clothing will be raised to \$550.

Additionally, Company proposes that a hooded sweatshirt and leather belt be added to the list of uniform clothing that is eligible for annual replacement and a jumpsuit can be substituted for 1 pair of dress pants and 1 dress shirt, at the employee's option.

This proposal has been reviewed with the local Business Representative.

If agreed to, this change will be effective on January 1, 2006.

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

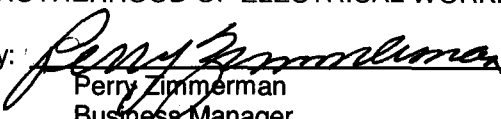
By: _____


Stephen A. Rayburn
Director and Chief Negotiator

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

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

By: _____


Perry Zimmerman
Business Manager

11-08- _____, 2005