



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 06-59-PGE

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
LABOR 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

TOM DALZELL,
BUSINESS MANAGER

November 17, 2006

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

Dear Mr. Dalzell:

This Side Letter Agreement accompanies the Project Labor Agreement ("Agreement") between Black and Veatch and the California State Building and Construction Trades Council and the Contra Costa Building and Construction Trades Council with respect to the Contra Costa Unit 8 Power Project ("Project").

The construction of transmission and distribution lines, outside substations, switchyards, and ground grids for the Project which are directly or indirectly under the control of Pacific Gas & Electric Company ("PG&E") will be performed by contractors who are signatory to a collective bargaining agreement with IBEW Local No. 1245.

The Successorship provisions of the Agreement apply to PG&E and Local No. 1245 with respect to any work which is not performed in accordance with this Side Letter. Any jurisdictional dispute between Local No. 1245 and a Union who is party to the Agreement will be referred to the General Presidents of the Unions involved and the employer for resolution.

PG&E and IBEW Local No. 1245 each represents that it has the authority to enter into this Side Letter Agreement.

Please indicate your concurrence with the foregoing by executing this Side Letter Agreement below 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: _____


Tom Dalzell
Business Manager

16 March

2006