



LETTER AGREEMENT NO. 06-53-PGE



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

TOM DALZELL
BUSINESS MANAGER

November 6, 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:

In Letter Agreement 05-67, the parties agreed to establish Exhibit XVIII, Conditions Applicable to New Generation Power Facilities, to address the unique operating needs of new technology power plants. In that agreement, the parties agreed to negotiate specific job classifications, skill blocks and progression, wage rates and incidental issues prior to each new plant becoming operational.

With the completion of Contra Costa Power Plant Unit 8 nearing, the Company is now prepared to propose the following specific conditions for Contra Costa Unit 8 for your consideration:

1) Job Classifications/Wage Rates:

- Power Plant Technician - \$ 37.02 per hour (2007)
Requirement: qualified in one skill block discipline
- Advanced Power Plant Technician - \$38.41 per hour (2007)
Requirement: qualified in two skill block disciplines

2) Skill Blocks Disciplines:

- Company will provide training and qualification, including initial and re-qualification, in the following skill block disciplines: Electrical, Mechanical Maintenance, Instrumentation, Controls/DCS and Control Room Operations. All skill block disciplines will include instruction on basic power plant operations.
- Company shall determine the number of employees to be trained and qualified in each skill block discipline.
- Training and qualification will be conducted on paid time in accordance with Title 201 of the Labor Agreement.

3) Progression:

- Individuals will be hired as Power Plant Technicians with the skills and knowledge to qualify in one of the skill block disciplines as identified by the Company. This discipline will be known as the employee's primary discipline.
- It is expected that each Power Plant Technician will train and become qualified in one other skill block discipline, known as a secondary discipline, and with it automatically progress to Advanced Power Plant Technician.
- The employee and his or her supervisor will identify the employee's secondary discipline and agree, in writing, to a timetable for the employee achieving the appropriate training and qualification. Such agreement will take place no later than six months from the commercial operations date (COD) or six months following the employees first day of employment as a Power Plant Technician, whichever is later.
- The timetable for achieving the secondary qualification may not exceed 24 months following the written agreement between the employee and his or her supervisor. The timetable may be accelerated or extended by written agreement between the supervisor and the employee.
- Achieving and maintaining qualification in both a primary and secondary discipline is a condition of employment.
- With Company approval, an employee may request and receive training and qualification in more than two disciplines.

4) Additional Job Responsibilities

- With mutual agreement of the employee and his or her supervisor, and following consultation with the Union's Business Representative, an employee may be assigned to additional responsibilities including crew scheduling, conducting tailboards, making work assignments and following up, prioritizing and planning work of others and communicating with outside agencies.
- Such employee will receive an increase in base pay of 10 percent during the period of time such employee is assigned such additional responsibilities.

5) 12-Hour Work Schedule

- Employees assigned to the Control Room will work a standard 12 hour shift as agreed to by the parties.

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 & ELECTRIC COMPANY

By: /s/ Stephen A. Rayburn
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

January 23, 2007

By: /s/ Tom Dalzell
Tom Dalzell

Business Manager