



LETTER AGREEMENT NO. 03-08-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 4790
WALNUT CREEK, CALIFORNIA 94596
925-933-6060

STEPHEN A. RAYBURN
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN
BUSINESS MANAGER

February 20, 2003

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

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

The Company proposes, pursuant to Section 301.20 of the Agreement, to change the residence area for two Title 300 Gas Employees.

The first employee, Eugene Tafoya, employment date of 10/01/2001, is currently assigned a residence area and reporting headquarters of Oakland under Subsection 301.3(c)(2). Mr. Tafoya lives in Hollister. The company proposes to change his assigned residence area and reporting headquarters to Gilroy.

The second employee, Lington Gordon, employment date of 4/16/2001, is currently assigned a residence area and reporting headquarters of Gilroy under Subsection 301.3(c)(2). Mr. Gordon lives in Oakland. The company proposes to change his assigned residence area and reporting headquarters to Oakland.

Once these employees are in their newly assigned locations, they will be treated as employees hired after 12/31/1999 and were awarded the jobs under the provisions of Section 305.7.

These changes have been discussed with the local Business Representative, Hunter Stern.

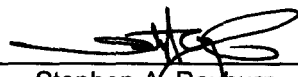
The effective date of these changes will occur within two weeks of both parties signature to this agreement.

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: _____


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

3/28/ 2003