



LETTER AGREEMENT NO. R1-02-07-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

March 6, 2002

Modified by LA R2-03-14

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:

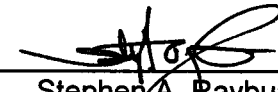
The Company and Union entered into Letter Agreement 01-50-PGE on September 27, 2001 to implement the Company's policy for Emergency Active Military Leave. In that letter agreement, the parties agreed that regular employees would receive pay supplements equivalent to their base pay minus taxable wages received from the military for up to six months.

The six-month timeframe will be expiring in April 2002, for those employees who were called to emergency active military duty in October 2001. Some of these employees will be continuing their emergency active military service beyond April 2002. Therefore, the Company proposes to amend Letter Agreement 01-50-PGE to extend this pay supplement through October 2002.

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

March 20, 2002

By: 
Perry Zimmerman
Business Manager