



LETTER AGREEMENT NO. 02-63-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

December 19, 2002

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 PG&E service territory has experienced a series of storms during the past week that has caused outages for over 2.1 million customers and has left some customers without power for over 96 hours. In an attempt to restore service to our customers as quickly as possible, the Company is utilizing all available outside line crews to supplement our PG&E workforce.

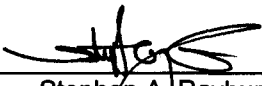
A new series of storms is expected to hit the PG&E service territory today. It is expected that PG&E crews will be scheduled for prearranged overtime during this storm. In conjunction with Company-Union discussions on this issue, the Company proposes to modify the provisions of Titles 208 and 308 to pay Title 200 and 300 on gas and electric employees at the double time rate for pre-arranged overtime scheduled on a non-workday in conjunction with this storm to provide equity with outside line crews receiving double time.

This letter agreement is without precedent and the normal provisions of the Physical Agreement will apply after the current storms and use of outside line crews for emergency restoration work has ended (and no later than December 31, 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

Dec 19, 2002

By: 
Perry Zimmerman
Business Manager