



LETTER AGREEMENT NO. 03-13-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

April 22, 2003

CXL Superseded by LA R2-03-14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. Letter Agreement R1-02-07-PGE extended this pay supplement through October 2002 and Letter Agreement 02-46-PGE extended the pay supplement through April 2003.

There are still employees who will be continuing their emergency active military service beyond April 2003. Therefore, the Company proposes to amend Letter Agreements 01-50-PGE, R1-02-07-PGE and 02-46-PGE to extend, on an exception basis, this pay supplement through October 2003.

In addition, Letter Agreement 01-50-PGE provided that regular employees and their dependents would be covered under the Company's medical, dental and vision plans for up to 18 months of their emergency military leave. The 18 months will expire at the end of April 2003. Therefore, the Company proposes to further amend Letter Agreement 01-50-PGE, on an exception basis, to extend coverage for regular employees and their dependents under the Company's medical, dental and vision plans through October 2003.

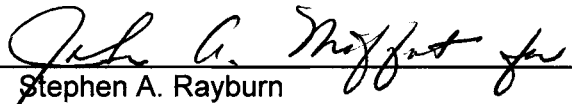
Employees would be entitled to receive the pay supplement for six months or through October 2003, whichever is greater, and would also be entitled to receive the benefits coverage described above for 18 months or through October, whichever is greater.

Except for the exceptions noted above, the compensation and benefits treatment during emergency active military leave in Letter Agreement 01-50-PGE will continue to apply.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided below and return on executed copy of this letter to the Company.

Very truly yours,

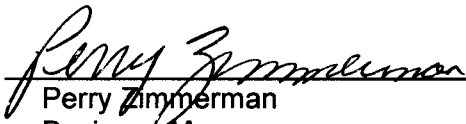
PACIFIC GAS & ELECTRIC COMPANY

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

May 31, 2003

By: 
Perry Zimmerman
Business Manager