



**Pacific Gas and
Electric Company**

LETTER AGREEMENT NO. 04-06-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 RAYBURN
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN
BUSINESS MANAGER

January 28, 2004

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 2547
Vacaville, CA 95696

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

Temporary outage employees hired to work at Diablo Canyon Power Plant who do not have a local banking relationship or local identification have experienced difficulty in negotiating their paychecks. To address this problem, Company wants to pilot the use of a non-branded debit card in lieu of a paycheck or expense check. Employees may volunteer for the debit card payment.

Money will be added to these cards from a centralized fund source as employees earn it. Company will continue to generate pay stubs and deliver them to the work location. The vendor has a customer service number employees may call free of charge to determine the balance on their card.

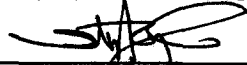
Company has selected FSV Payment Systems, Ltd. as the vendor.

This pilot has been discussed with Roger Stalcup.

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

By: 

Perry Zimmerman
Business Manager

2-6, 2004