PG&E Corporation

AT A GLANCE
CHANGES TO YOUR RETIREMENT BENEFITS

For PG&E Corporation Employees Not Participating
in the Retirement Plan ("The Pension Plan")

(Supplement to the Retirement Savings Plan Notice Effective April 1, 2007)

COMPARISON CHART

BENEFIT	What You Had	What You Will Have
RETIREMENT SAVINGS PLAN (401K) Fidelity Investments (877) 743-4015	• Basic contribution equal to 5% of covered compensation (base salary), and after one year of service, PG&E matches $1 per $1 you contribute, up to 5% of base salary. (Discontinued on April 1, 2007)	• After one year of service, PG&E will match $0.75 per $1 you contribute, up to 3% of your covered compensation (base salary). After three years of service, PG&E matches $0.75 per $1 you contribute up to 6% of base salary.(Effective April 1, 2007) For additional details, please refer to the Notice About Your Retirement Savings Plan Effective April 1, 2007 (the "Notice")
RETIREMENT PLAN (Pension Plan)	Prior to April 1, 2007: Not Eligible	• Your monthly pension annuity from the Pension Plan at age 65 is based on the following formula: --Average Basic Monthly Salary x Years of Service x 1.70% Please refer to the Notice for additional information
RETIREE MEDICAL	Prior to April 1, 2007: Not Eligible	• Continued eligibility for medical coverage in retirement Please refer to the Notice for additional information
RETIREE LIFE INSURANCE	Prior to April 1, 2007: Not Eligible	• Continued life insurance coverage in retirement at $8,000 or $50,000 Please refer to the Notice for additional information
Descriptions of these plans do not include the important legal definitions or limitations which are in plan documents or HMO contracts governing your benefits. Therefore, this summary does not replace those legal documents and in case of conflict, those legal documents govern your benefits. Since further conditions affecting the Company cannot be foreseen, the Company reserves the right to amend or terminate the plans at any time. Although any change in a plan or the termination of a plan will not affect the benefits paid to plan members before the date the plan was changed or ended, such change may result in reduced levels of benefits or benefit coverage, after the effective date of any such change.		

QUESTIONS AND ANSWERS

Why are we moving to a common retirement benefit plan?
Many PG&E Corporation employees who transferred from the Utility to the holding company already have access to these retirement programs. However, there are a number of Corporation employees who did not transfer from the Utility and participate only in the Retirement Savings Plan. Moving to one common platform will provide all current and future holding company employees access to the same retiree benefits as their colleagues and the same opportunity to secure their financial goals for retirement.

Can I opt out of the benefit plan changes?
This is a mandatory benefit plan change that affects all Corporation employees who are not participating in the defined benefit pension plan.

What is the Pacific Gas and Electric Company Retirement Plan (defined benefit pension plan)?
The Retirement Plan is a “qualified” defined benefit pension plan under the Internal Revenue Code (IRC). It is designed to pay an annuity for your life with the option to have continued payments to your designated beneficiary upon your death. Retirement benefits earned by employees are secured by assets held in a legal trust managed by Mellon Bank and are subject to IRC and federal regulations that are meant to protect the interests of participants.

What does it mean that pension assets are held in a trust at Mellon Bank?
Under the Employee Retirement Income Security Act of 1974 (ERISA), a federal statute, trustees are fiduciaries of the Plan. As a fiduciary of the Plan, Mellon Bank is responsible to operate "solely in the interests of participants and beneficiaries" of the Plan.

Does PG&E or any other entity have access to trust assets that have been set aside for our future pension?
Employee Retirement Income Security Act of 1974 (ERISA), a federal statute, established rules governing pension plan assets. Under ERISA, PG&E's Retirement Plan falls under the "exclusive benefit rule." In general, this means that plan assets can only be held for the sole purpose of providing benefits to plan participants and beneficiaries. This means that Plan assets cannot revert to the benefit of the employer or be diverted for any other purpose than to pay pension benefits, except as described below.

In the unlikely event, that the pension plan is terminated, PG&E or any acquiring company cannot access trust assets until all benefits owed to participants have been paid. However, if such an event occurs and assets do remain in the trust after all obligations to plan participants and beneficiaries are satisfied, those remaining assets could be transferred to the employer. Any reversion of plan assets to the employer would be subject to substantial federal excise taxes.

How well funded is the Retirement Plan trust?
The retirement plan trust is 98.5% funded and is funded by PG&E contributions and investment returns. In 2006, a decision by the CPUC allows PG&E to receive rate recovery for contributions to bring the trust to a fully funded status by 2010. These contributions will help to ensure that the plan is sufficiently funded to cover the present value of all current benefits earned by participants in the plan.

Will there be changes to my benefits under the PG&E Corporation Retirement Savings Plan (defined contribution or 401(k) plan)?

Effective April 1, 2007, the basic employer contribution under the RSP will be discontinued and the matching employer contribution schedule along with the percentage match that PG&E Corporation adds to your account when you actively contribute to the RSP will be changed.

After April 1, 2007, your employer matching contributions will be made in the following percentages based on your total years of service:

Length of Service (beginning on your original Corporation hire date)	Matching Employer Contribution
1 to 3 years of service	75% of the employee’s pre-tax and/or after-tax contributions that do not exceed 3% of the employees covered compensation.
3 years of service or more	75% of the employee’s pre-tax and/or after-tax contributions that do not exceed 6% of the employees covered compensation.

Is my Retirement Savings Plan account moving to another 401(k) provider?
Your RSP account will remain at Fidelity.