Pacific Gas and Electric Company

215 Market Street San Francisco. CA 94106 415/972-7000

REC

1991



December 6, 1991

Mr. Jack McNally
International Brotherhood of Electrical Workers, AFL-CIO
Local Union No. 1245
P.O. Box 4790
Walnut Creek, CA 94596

Attention: Darrel Mitchell, Business Representative

Company and Union met on December 5, 1991, at the Union's request, to discuss the taxability of in-lieu of meal cash payments made pursuant to Titles 104 and 16 of the Physical and Clerical Agreements.

As you know, numerous proposals were exchanged by both parties, however, we were unable to reach agreement on any change to Titles 104 and 16.

Effective January 1, 1992, the Company will begin withholding taxes on all in-lieu of meal cash payments in the employee's regular biweekly paycheck. Employees will continue to receive \$8.00 or \$15.00 in the field pursuant to Titles 104 & 16. The appropriate withholding will then appear on the following paycheck.

Sincerely,

David J. Bergman Director and Chief Negotiator

LLBates:bbs