PACIFIC GAS AND ELECTRIC COMPANY

PGyE 245 MARKET STREET . SAN FRANCISCO, CALIFORNIA 94106 . (415) 781-4211

July 31, 1968

Local Union No. 1245, International Brotherhood of Electrical Workers, AFL-CIO 1918 Grove Street 94612 Oakland, California

Attention: Mr. Ronald T. Weakley, Business Manager

Gentlemen:

In order to complete negotiations with respect to Company's Retirement Plan and Savings Fund Plan prior to January 1, 1969, it has been our experience that a negotiating period longer than the 60 days provided for in the Union Pension Contract would be of value. We therefore propose that Company and Union waive the notice provisions of Part IV, Sections 1 and 2 of the Union Pension Contract, dated January 1, 1954, as amended, and, in lieu thereof, shall on September 3, 1968, in full satisfaction of the requirements of such Sections give to each other written notice of any proposed action desired by either party; and neither party shall be permitted to submit a notice of termination at a later date.

As soon as possible after the notice of September 3, 1968, has been given, but not later than September 9, 1968, Union shall submit to Company in writing the subjects on which it intends to commence bargaining. Company and Union appointed Committees shall then pursue such action as is mutually deemed desirable with the intent of reaching agreement on any amendments to the Union Pension Contract not later than November 29, 1968.

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

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By Manager of Industrial Relations

The Union is in accord with the foregoing and it agrees thereto as of the date hereof.

> LOCAL UNION NO. 1245, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

Cugust 2, 1968 By Gonelt. Walley
Business Manager