



LETTER AGREEMENT No.



R1-91-46-PGE

Pacific Gas and Electric Company
Industrial Relations Department
215 Market Street
San Francisco, California 94106
[415] 973-1125

International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
P.O. Box 4790
Walnut Creek, California 94596
[415] 933-6060

Richard Bradford, Manager

Jack McNally, Business Manager

March 26, 1991

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

This letter cancels and supersedes Letter Agreement 91-32-PGE.

During 1990 General Negotiations, the parties agreed to the establishment of an International Equity Fund (IEF) as an investment option under the Savings Fund Plan provision, Section 4.13. In subsequent discussion and correspondence, Company offered two other alternatives in lieu of the International Equity Fund. This agreement is to confirm the Union's selection of the Stock and Bond Fund (SBF) and cancellation of the proposed IEF. The Stock and Bond Fund is to be effective July 1, 1991.

In addition, Company proposes to rename the Marketable Bond Fund (MBF), Section 4.12. This investment option will be the Bond Index Fund (BIF) and also effective July 1, 1991.

Descriptions of the two plans are attached.

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

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By *[Signature]*
Manager of Industrial Relations

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

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

By *[Signature]*
Business Manager

April 12, 1991

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