

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**Date of Report: June 19, 2020
(Date of earliest event reported)**

Commission File Number	Exact Name of Registrant as specified in its charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number
1-12609	PG&E CORPORATION	California	94-3234914
1-2348	PACIFIC GAS AND ELECTRIC COMPANY	California	94-0742640



77 Beale Street
P.O. Box 770000
San Francisco, California 94177
(Address of principal executive offices) (Zip Code)

(415) 973-1000
(Registrant's telephone number, including area code)



77 Beale Street
P.O. Box 770000
San Francisco, California 94177
(Address of principal executive offices) (Zip Code)

(415) 973-7000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting Material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, no par value	PCG	The New York Stock Exchange
First preferred stock, cumulative, par value \$25 per share, 5% series A redeemable	PCG-PE	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5% redeemable	PCG-PD	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 4.80% redeemable	PCG-PG	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 4.50% redeemable	PCG-PH	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 4.36% series A redeemable	PCG-PI	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 6% nonredeemable	PCG-PA	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5.50% nonredeemable	PCG-PB	NYSE American LLC
First preferred stock, cumulative, par value \$25 per share, 5% nonredeemable	PCG-PC	NYSE American LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

PG&E Corporation

☐

Emerging growth company

Pacific Gas and Electric Company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

PG&E Corporation

☐

Pacific Gas and Electric Company

☐

Item 8.01. Other Events

As previously disclosed, on January 29, 2019, PG&E Corporation (the “Corporation”) and its subsidiary, Pacific Gas and Electric Company (the “Utility,” and together with the Corporation, the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 (“Chapter 11”) of the United States Code in the U.S. Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”). The Debtors’ Chapter 11 cases are being jointly administered under the caption In re: PG&E Corporation and Pacific Gas and Electric Company, Case No. 19-30088 (DM) (the “Chapter 11 Cases”). On May 22, 2020, the Debtors, certain funds and accounts managed or advised by Abrams Capital Management, L.P., and certain funds and accounts managed or advised by Knighthood Capital Management, LLC filed the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated May 22, 2020 [Docket No. 7521] with the Bankruptcy Court (as may be further modified, amended, or supplemented from time to time and, together with all exhibits and schedules thereto, the “Plan”).

On June 19, 2020, the Utility completed the sale of (i) \$500,000,000 aggregate principal amount of Floating Rate First Mortgage Bonds due June 16, 2022, (ii) \$2,500,000,000 aggregate principal amount of 1.75% First Mortgage Bonds due June 16, 2022, (iii) \$1,000,000,000 aggregate principal amount of 2.10% First Mortgage Bonds due August 1, 2027, (iv) \$2,000,000,000 aggregate principal amount of 2.50% First Mortgage Bonds due February 1, 2031, (v) \$1,000,000,000 aggregate principal amount of 3.30% First Mortgage Bonds due August 1, 2040, and (vi) \$1,925,000,000 aggregate principal amount of 3.50% First Mortgage Bonds due August 1, 2050, (collectively, the “Mortgage Bonds”). Subject to the satisfaction of certain conditions, the net proceeds from the sale of the Mortgage Bonds, together with the net proceeds from certain other Plan financing transactions, are expected to be used to effectuate the reorganization of the Utility and the Corporation in accordance with the terms and conditions contained in the Plan. For further information concerning the Mortgage Bonds, refer to the exhibits attached to this report.

Cautionary Statement Concerning Forward-Looking Statements

This current report on Form 8-K includes forward-looking statements that are not historical facts, including statements about the beliefs, expectations, estimates, future plans and strategies of the Corporation and the Utility, including but not limited to the Plan and related financings. These statements are based on current expectations and assumptions, which management believes are reasonable, and on information currently available to management, but are necessarily subject to various risks and uncertainties. In addition to the risk that these assumptions prove to be inaccurate, other factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include factors disclosed in the Corporation’s and the Utility’s annual report on Form 10-K for the year ended December 31, 2019, as updated by their joint quarterly report on Form 10-Q for the quarter ended March 31, 2020, and their subsequent reports filed with the SEC. Additional factors include, but are not limited to, those associated with the Chapter 11 cases of the Corporation and the Utility that commenced on January 29, 2019. The Corporation and the Utility undertake no obligation to publicly update or revise any forward-looking statements, whether due to new information, future events or otherwise, except to the extent required by law.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
1.1	<u>Underwriting Agreement, dated June 16, 2020, by and among Pacific Gas and Electric Company, J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC</u>
4.1	<u>Indenture of Mortgage, dated as of June 19, 2020, between Pacific Gas and Electric Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”)</u>
4.2	<u>First Supplemental Indenture, dated as of June 19, 2020, relating to the Mortgage Bonds, between Pacific Gas and Electric Company and the Trustee (including the form of Mortgage Bonds of each series)</u>

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- 4.3 [Calculation Agency Agreement, dated as June 19, 2020, between Pacific Gas and Electric Company and The Bank of New York Mellon Trust Company, N.A. as calculation agent](#)
- 4.4 [Escrow Deposit and Disbursement Agreement, dated as of June 19, 2020, by and among Pacific Gas and Electric Company, The Bank of New York Mellon Trust Company, N.A., as escrow agent, and the Trustee](#)
- 5.1 [Opinion of Hunton Andrews Kurth LLP, dated June 19, 2020](#)
- 104 Cover Page Interactive Data File—the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

PG&E CORPORATION

By: /s/ JASON P. WELLS

Jason P. Wells

Executive Vice President and Chief Financial Officer

Dated: June 19, 2020

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ DAVID S. THOMASON

David S. Thomason

Vice President, Chief Financial Officer and Controller

Dated: June 19, 2020

Pacific Gas and Electric Company

\$500,000,000 Aggregate Principal Amount
of Floating Rate First Mortgage Bonds due 2022

\$2,500,000,000 Aggregate Principal Amount
of 1.75% First Mortgage Bonds due 2022

\$1,000,000,000 Aggregate Principal Amount
of 2.10% First Mortgage Bonds due 2027

\$2,000,000,000 Aggregate Principal Amount
of 2.50% First Mortgage Bonds due 2031

\$1,000,000,000 Aggregate Principal Amount
of 3.30% First Mortgage Bonds due 2040

\$1,925,000,000 Aggregate Principal Amount
of 3.50% First Mortgage Bonds due 2050

Underwriting Agreement

New York, New York
June 16, 2020

J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

Barclays Capital Inc.
745 Seventh Avenue
New York, NY 10019

BofA Securities, Inc.
One Bryant Park
New York, NY 10036

Citigroup Global Markets Inc.
388 Greenwich Street
New York, NY 10013

Goldman Sachs & Co. LLC
200 West Street
New York, NY 10282

As Representatives of the several Underwriters
named in Schedule I hereto

Ladies and Gentlemen:

Pacific Gas and Electric Company, a corporation organized under the laws of the State of California (the “Company”), proposes to sell to the several underwriters named in Schedule I hereto (the “Underwriters”), for whom you (the “Representatives”) are acting as representatives, (i) \$500,000,000 aggregate principal amount of Floating Rate First Mortgage Bonds due 2022 (the “Floating Rate Mortgage Bonds”), (ii) \$2,500,000,000 aggregate principal amount of 1.75% First Mortgage Bonds due 2022 (the “2022 Mortgage Bonds”), (iii) \$1,000,000,000 aggregate principal amount of 2.10% First Mortgage Bonds due 2027 (the “2027 Mortgage Bonds”), (iv) \$2,000,000,000 aggregate principal amount of 2.50% First Mortgage Bonds due 2031 (the “2031 Mortgage Bonds”) (v) \$1,000,000,000 aggregate principal amount of 3.30% First Mortgage Bonds due 2040 (the “2040 Mortgage Bonds”) and (vi) \$1,925,000,000 aggregate principal amount of 3.50% First Mortgage Bonds due 2050 (the “2050 Mortgage Bonds”, and, together with the Floating Rate Mortgage Bonds, the 2022 Mortgage Bonds, the 2027 Mortgage Bonds, the 2031 Mortgage Bonds, the 2040 Mortgage Bonds, the “Securities”), certain terms of which are set forth on Schedule II. The Securities are to be issued under an indenture, dated as of June 19, 2020 (the “Base Indenture”), as supplemented by the First Supplemental Indenture dated as of June 19, 2020 (the “Supplemental Indenture” and, together with the Base Indenture, the “Indenture”), between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Any reference herein to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Final Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Exchange Act on or before the Effective Date of the Registration Statement or the issue date of the Base Prospectus, any Preliminary Prospectus or the Final Prospectus, as the case may be, and any reference herein to the terms “amend,” “amendment” or “supplement” with respect to the Registration Statement, the Base Prospectus, any Preliminary Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any document under the Exchange Act after the Effective Date of the Registration Statement or the issue date of the Base Prospectus, any Preliminary Prospectus or the Final Prospectus, as the case may be, deemed to be incorporated therein by reference. Certain terms used herein are defined in Section 21 hereof.

On January 29, 2019, the Company and PG&E Corporation (the “Parent”) filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) with the United States Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”). On March 17, 2020, the Bankruptcy Court approved the disclosure statement dated March 17, 2020 filed pursuant to section 1125 of the Bankruptcy Code by the Company and the Parent (the “March 17 Disclosure Statement”). On March 25, 2020, the Bankruptcy Court approved a supplement to the March 17 Disclosure Statement. On June 11, 2020, the Bankruptcy Court entered an order [Docket No. 7909] (the “Funding Transactions Order”) approving

the transactions contemplated by the Plan (collectively, the “Concurrent Transactions”), including, but not limited to, the issuance by the Parent of \$9,000 million of equity or equity-linked securities, the incurrence by the Parent of \$4,750 million of indebtedness and the incurrence by the Company of \$11,925 million of indebtedness, including the Securities to be sold hereunder, in each case on or prior to the Plan Effective Date. On June 14, 2020, the Company and the Subsidiary filed the Plan (as defined herein) with the Bankruptcy Court. On or prior to June 30, 2020, the Bankruptcy Court is expected to enter an order (the “Confirmation Order”) confirming the Plan and approving the transactions contemplated thereby. The Plan will become effective on the Plan Effective Date.

If the Escrow Conditions (as defined in the Disclosure Package) are not satisfied on or prior to the Closing Date (as defined herein), the Company will enter into a customary escrow agreement relating to the Securities (the “Escrow Agreement”) with the Trustee and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”). Pursuant to the Escrow Agreement, the Company will deposit the aggregate net proceeds of the offering of the Securities, received by the Company into a segregated escrow account established pursuant to the Escrow Agreement (each, an “Escrow Account”), together with additional amounts sufficient to fund the redemption of the Securities in accordance with the terms of the Indenture. The funds held in the Escrow Account will be released to the Company upon delivery by the Company to the Escrow Agent and the Trustee of an officer’s certificate certifying that the Escrow Conditions have been satisfied.

The date, if any, when the Escrow Conditions are satisfied and funds held in the Escrow Account are released to the Company is herein referred to as the “Escrow Release Date. If the Escrow Conditions are not satisfied prior to September 9, 2020 (or, if prior to such date, the Company determines in its sole discretion that any of the Escrow Conditions cannot be satisfied by such date), the Company will be required to redeem the Securities in accordance with the special mandatory redemption provisions set forth in the Indenture. For the purposes of this Agreement, the term “Completion Date” means the Closing Date or, if the Escrow Conditions have not been satisfied on or prior to the Closing Date, the Escrow Release Date. On and after the Closing Date (if the Closing Date is not the Completion Date), the Securities will be secured pursuant to the terms of the Escrow Agreement on a first-priority basis, by liens on the Escrow Account and proceeds thereof as described in the Disclosure Package and the Final Prospectus (the “Escrow Collateral”). If the Completion Date occurs on the Closing Date, the escrow arrangements described herein will not be implemented.

1. Representations and Warranties. The Company represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1.

(a) The Company meets the requirements for use of Form S-3 under the Act and has prepared and filed with the Commission a shelf registration statement (File No. 333-236629) on Form S-3, including a related Base Prospectus, for registration under the Act of the offering and sale of the Securities. Such Registration Statement, including any amendments thereto filed prior to the Execution Time, has become effective. The

Company may have filed with the Commission, as part of an amendment to the Registration Statement or pursuant to Rule 424(b), one or more preliminary prospectus supplements relating to the Securities, each of which has previously been furnished to you. The Company will file with the Commission a final prospectus supplement relating to the Securities in accordance with Rule 424(b). As filed, such final prospectus supplement shall contain all information required by the Act and the rules thereunder, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the Base Prospectus and any Preliminary Prospectus) as the Company has advised you, prior to the Execution Time, will be included or made therein. The Registration Statement, at the Execution Time, meets the requirements set forth in Rule 415(a)(1)(x). The Company has paid the fees required by the Commission relating to the Securities within the time required by Rule 456(a) and otherwise in accordance with Rules 456(a) and 457(o).

(b) On each Effective Date, the Registration Statement did, and when the Final Prospectus is first filed in accordance with Rule 424(b) and on the Closing Date, the Final Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act, the Exchange Act and the Trust Indenture Act and the respective rules thereunder; on each Effective Date, at the Execution Time and on the Closing Date, the Registration Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; on the Effective Date and on the Closing Date the Indenture did or will comply in all material respects with the applicable requirements of the Trust Indenture Act and the rules thereunder; and on the date of any filing pursuant to Rule 424(b) and on the Closing Date, the Final Prospectus (together with any supplement thereto) will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representations or warranties as to (i) that part of the Registration Statement which shall constitute the Statement of Eligibility and Qualification (Form T-1) under the Trust Indenture Act of the Trustee or (ii) the information contained in or omitted from the Registration Statement or the Final Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Final Prospectus (or any supplement thereto), it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(c) As of the Execution Time and as of the Closing Date, (i) the Disclosure Package, (ii) each Road Show, if any, when taken together as a whole with the Disclosure Package, and (iii) any individual Written Testing-the-Waters Communication, when taken together as a whole with the Disclosure Package, did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were

made, not misleading. The preceding sentence does not apply to statements in or omissions from the Disclosure Package, any such Road Show and any such individual Written Testing-the-Waters Communication based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(d) The Company (i) has not engaged in, or authorized any other person to engage in, any Testing-the-Waters Communications, other than Testing-the-Waters Communications with the prior consent of the Representatives with entities that the Company reasonably believes are qualified institutional buyers as defined in Rule 144A or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8); and (ii) it has not distributed, or authorized any other person to distribute, any Written Testing-the-Waters Communications, other than those distributed with the prior consent of the Representatives that are listed under item 2 of Schedule III hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Testing-the-Waters Communications.

(e) The Company has not prepared or used any Free Writing Prospectus, other than any Issuer Free Writing Prospectus listed under item 1 of Schedule III hereto. Any such Issuer Free Writing Prospectus did not, as of its issue date, and does not include any information that conflicts with the information contained in the Registration Statement, including any document incorporated therein by reference and any prospectus supplement deemed to be a part thereof that has not been superseded or modified. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(f) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of California, with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Disclosure Package and the Final Prospectus, and is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification, except where the failure to be so qualified or be in good standing would not, individually or in the aggregate, have a material adverse effect on the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect").

(g) This Agreement has been duly authorized, executed and delivered by the Company.

(h) As of the date hereof, the Company has the authorized capitalization as set forth in Disclosure Package, and after giving effect to the Concurrent Transactions,

the Plan and the issuance of the Securities and the use of net proceeds therefrom as described in the Registration Statement, the Disclosure Package and the Final Prospectus, the Company will have an authorized capitalization as set forth under the as adjusted column of the capitalization table in the section entitled “Capitalization.”

(i) The Indenture has been duly authorized by the Company; and at the Closing Date, the Indenture will have been duly executed and delivered by the Company; and at the Closing Date, assuming due authorization, execution and delivery by the Trustee, the Indenture will constitute, a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited (i) by laws and principles of equity affecting the enforcement of creditors’ rights, including, without limitation, bankruptcy, reorganization, insolvency arrangement, fraudulent conveyance, moratorium, receivership, assignment for the benefit of creditors laws, and (ii) the applicable regulatory requirements (including the approval of the California Public Utilities Commission (the “CPUC”) (collectively, the “Enforceability Exceptions”); and the Indenture will be qualified under the Trust Indenture Act as of the Closing Date.

(j) The Escrow Agreement has been duly authorized by the Company; and, on the Closing Date (if the Closing Date is not the Completion Date), the Escrow Agreement will have been duly executed and delivered by the Company, and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, will constitute a valid and binding agreement of, the Company, enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by the Enforceability Exceptions. The Escrow Agreement will, on the Closing Date (if the Closing Date is not the Completion Date), create in favor of the Trustee, for the benefit of itself and the holders of the Securities, as applicable, a legal, valid and enforceable security interest in the Escrow Collateral (as defined in the Escrow Agreement) as security for the Securities, as applicable, to the extent that a legal, valid, binding and enforceable security interest in such Escrow Collateral may be created under any applicable law of the United States of America and any states thereof, including, without limitation, the applicable Uniform Commercial Code (“UCC”), which security interest, upon execution of the Escrow Agreement, will constitute a fully perfected lien on, and security interest in, all right, title and interest of the Company in such Escrow Collateral.

(k) The issuance and sale by the Company of the Securities pursuant to this Agreement have been duly authorized by all necessary corporate action; and, when issued and authenticated pursuant to the indenture and delivered to the Underwriters pursuant to this Agreement against payment of the consideration therefor specified herein, the Securities will be valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except as enforcement thereof may be limited by the Enforceability Exceptions.

(l) None of the (i) issue and sale of the Securities, the (ii) execution, delivery and performance by the Company of this Agreement, the Indenture and the Escrow Agreement, (iii) the application of the proceeds from the sale of the Securities as described under “Use of Proceeds” in the Disclosure Package and the Final Prospectus

and (iv) the consummation of the Concurrent Transactions or any other of the transactions contemplated herein or under the Plan, or the performance by the Company of any of its obligations set forth under this Agreement, the Indenture, the Escrow Agreement or the Plan will conflict with, or result in a breach or violation of: (i) the charter, bylaws or comparable constituent documents of the Company or any of its subsidiaries, (ii) the terms of the Plan or of any of the transactions contemplated thereby, (iii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or bound or to which its or their property is subject, or (iv) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries or any of its or their properties, except, in the case of clauses (iii) and (iv) above, for such conflicts, breaches or violations which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) After giving effect to the issue and sale of the Securities, the Plan, the Concurrent Transactions and the other transactions contemplated thereby, neither the Company nor any subsidiary will be in violation or default of (i) any provision of its charter or bylaws, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, except, in the case of clauses (ii) and (iii) above, for such conflicts, breaches or violations which could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(n) No holders of securities of the Company have rights to the registration of such securities under the Registration Statement.

(o) Since January 1, 2020, there has not occurred any change in the condition, financial or otherwise, or in the earnings, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Disclosure Package that would reasonably be expected to have a Material Adverse Effect.

(p) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their property is pending or, to the best knowledge of the Company, threatened that (i) would reasonably be expected to have a material adverse effect on the issue and sale of the Securities, the execution, delivery and performance by the Company of this Agreement, the application of the proceeds from the sale of the Securities as described under “Use of Proceeds” in the Disclosure Package and the Final Prospectus and the consummation of the Concurrent Transactions or any other of the transactions contemplated herein or under the Plan or the performance by the Company of any of its

obligations set forth under this Agreement, the Indenture, the Escrow Agreement or the Plan or (ii) would reasonably be expected to have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Final Prospectus (exclusive of any supplement thereto).

(q) The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof and the consummation of the Concurrent Transactions as described in the Disclosure Package and the Final Prospectus, will not be an “investment company” as defined in the Investment Company Act of 1940, as amended (the “1940 Act”) or a company “controlled” by an “investment company” within the meaning of the 1940 Act.

(r) Except as set forth or contemplated in the Registration Statement, Disclosure Package and the Final Prospectus (exclusive of any supplement thereto), neither the Company nor any of its subsidiaries (i) is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, “Environmental Laws”), (ii) owns or operates any real property contaminated with any substance that is subject to any Environmental Laws, (iii) is liable for any off-site disposal or contamination pursuant to any Environmental Laws, or (iv) is subject to any pending, or to the Company’s knowledge, threatened, claim relating to any Environmental Laws, in each case, which violation, obligation, contamination, liability or claim could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and the Company’s is not aware of any facts, circumstances or events that could reasonably be expected to lead to any of the foregoing.

(s) The Company does not have any significant subsidiaries as defined by Rule 1-02 of Regulation S-X.

(t) Subsequent to the respective dates as of which information is given in each of the Registration Statement, Disclosure Package and the Final Prospectus (exclusive of any supplement thereto), (i) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction other than in the ordinary course of business; (ii) the Company has not purchased any of its outstanding capital stock (except as permitted under its existing equity compensation plans), nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, except in each case as described or contemplated in each of the Registration Statement, Disclosure Package and the Final Prospectus (exclusive of any supplement thereto).

(u) Neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any licenses, certificates,

permits and other authorizations which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Registration Statement, Disclosure Package and the Final Prospectus (exclusive of any supplement thereto).

(v) The Bankruptcy Court entered the Funding Transactions Order approving the Concurrent Transactions on June 11, 2020, including, but not limited to, the offering and any transaction documents related to the offering pursuant to this Agreement and the Concurrent Transactions.

(w) The CPUC has authorized the issuance and sale by the Company of the Securities, and such authorization is in full force and effect and sufficient for the issuance and sale of the Securities to the Underwriters.

(x) The Plan has been duly authorized by the Company and the Parent, and the description thereof in the Registration Statement, the Disclosure Package and the Prospectus is accurate in all material respects. The Plan has not been modified in any material respect or withdrawn since the date of its confirmation by the Bankruptcy Court.

(y) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the issue and sale of the Securities, the execution, delivery and performance by the Company of this Agreement, the Indenture or the Escrow Agreement, the application of the proceeds from the sale of the Securities as described under “Use of Proceeds” in the Disclosure Package and the Final Prospectus and the consummation of the Concurrent Transactions or any other of the transactions contemplated herein or under the Plan or the performance by the Company of any of its obligations set forth herein or under the Plan, except (i) the Funding Transactions Order; (ii) such as have been obtained from the CPUC; (iii) such filings and recordings with governmental or regulatory authorities or agencies as may be required to perfect security interests under the Indenture and the Escrow Agreement; (iii) such as have been obtained, under the Act, the Trust Indenture Act and the rules and interpretations of the Commission thereunder or otherwise; and (iv) such as may be required under the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters in the manner contemplated herein and in the Disclosure Package and the Final Prospectus.

(z) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in the Preliminary Prospectus, the Final Prospectus and the Registration Statement present fairly in all material respects the financial condition, results of operations and cash flows of the Company and its consolidated subsidiaries as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein). The interactive data in eXtensible Business Reporting Language incorporated by reference in the Registration Statement, the Disclosure Package and the Final Prospectus has been prepared in accordance with the Commission’s rules and guidelines applicable thereto in all material respects.

(aa) Deloitte & Touche LLP, who have audited certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules incorporated in the Registration Statement, the Disclosure Package and the Final Prospectus, is an independent registered public accounting firm with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder and of the Public Company Accounting Oversight Board.

(bb) The Company and each of its consolidated subsidiaries maintain a system of internal accounting controls over financial reporting sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences. The Company and its subsidiaries' internal controls over financial reporting are effective and the Company and its subsidiaries are not aware of any material weakness in their internal controls over financial reporting.

(cc) The Company maintains "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) and such disclosure controls and procedures were effective as of the end of the Company's most recently completed fiscal quarter.

(dd) The Company has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(ee) There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended, and the rules and regulations promulgated in connection thereunder, including Section 402 relating to loans and Sections 302 and 906 relating to certifications.

(ff) To the Company's knowledge, none of the Company, any of its subsidiaries, or any director, officer, agent, affiliate or employee of the Company or any of its subsidiaries is currently the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"); and the Company will not use the proceeds from the sale of the Securities, or knowingly lend, contribute or otherwise make available such proceeds to any subsidiary, affiliate, joint venture partner or other person or entity for the purpose of financing the activities of any person currently the subject of any U.S. sanctions administered by OFAC.

(gg) None of the Company, any of its subsidiaries or, to the knowledge of the Company, any director, officer, agent, affiliate or employee of the Company or any of its subsidiaries has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries have instituted, maintain and enforce, and will continue to maintain and enforce policies and procedures reasonably designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(hh) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company or any of its subsidiaries conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ii) (i) Except as disclosed in the Registration Statement, the Disclosure Package and the Final Prospectus, there has been no security breach, disclosure or outage of, or unauthorized access to, the Company’s or its subsidiaries’ information technology or computer systems, networks, hardware, software, websites or applications, personally identifiable or confidential data or databases thereof (including all personally identifiable or confidential data of their respective customers, employees, suppliers, and vendors, and any third party personally identifiable or confidential data, in each case that is maintained, processed or stored by the Company and its subsidiaries, and any such personally identifiable or confidential data processed or stored by third parties on behalf of the Company and its subsidiaries), equipment or technology (collectively, “IT Systems and Data”); (ii) neither the Company nor its subsidiaries are aware or have been notified

of any security breach, disclosure or outage of, or unauthorized access to, their IT Systems and Data; and (iii) the Company and its subsidiaries have implemented reasonable controls, policies, procedures, and technological safeguards and backup and disaster recovery technology designed to maintain and protect the confidentiality, integrity, operation, redundancy and security of their IT Systems and Data that are reasonably consistent with generally accepted industry standards and practices, or as required by applicable regulatory standards, except with respect to clauses (i) and (ii), for any such security breach, disclosure, outage, or unauthorized access as would not, individually or in the aggregate, have a Material Adverse Effect, or with respect to clause (iii), where the failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and its subsidiaries have complied, and are presently in compliance, in all material respects, with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification.

(jj) The Company has the requisite power and authority to carry out the Concurrent Transactions to which it will be a party and perform its obligations under the Plan, and has taken all necessary actions required for the due authorization, execution, delivery and performance by it of the transactions contemplated by the Plan, including the Concurrent Transactions to which it will be party, by the Plan Effective Date. The Plan constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(kk) Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement and the Company's agreement with Lazard dated January 4, 2019, as approved by a court order dated May 24, 2019) that would give rise to a valid claim against the Company or any of its subsidiaries for a brokerage commission, finder's fee or like payment in connection with the negotiation, documentation and execution of the offering of the Securities pursuant to this Agreement.

(ll) The Company and each of its subsidiaries have timely filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement and have timely paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not have a Material Adverse Effect, or, except with respect to taxes currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a Material Adverse Effect.

(mm) The Company has good and valid title to all real property and all personal property subject to the lien of the Indenture, in each case free and clear of all liens, encumbrances, equities or claims (i) except for such liens, encumbrances, equities or claims as are described in the Registration Statement, the Disclosure Package and the Final Prospectus and are permitted by the Indenture and (ii) except for such defects in title as are not reasonably likely to, individually or in the aggregate, materially interfere with the use made or to be made of such property by the Company or materially impair the liens of the Indenture or have a material adverse effect on (x) the condition (financial or other), results of operations or business of the Company or (y) the authority or the ability of the Company to enter into or perform its obligations under this Agreement, the Indenture, the Escrow Agreement or the Securities.

(nn) At the Closing Date, the Base Indenture and the Supplemental Indenture will be effective to create as of Completion Date in favor of the Trustee, for the benefit of itself and the holders of the Securities a legal, valid and enforceable lien on and security interest in all of the Company's right, title and interest in and to the Mortgaged Property (as such term is defined in the Indenture); and when on or following the Completion Date such Base Indenture and Supplemental Indenture are filed or recorded in the proper real estate filing or recording offices, and all relevant mortgage taxes and recording charges are duly paid, the Trustee (for the benefit of the Secured Parties) shall have a perfected Lien on, and security interest in, all right, title, and interest of the Company in the Mortgaged Property and, to the extent applicable, subject to Section 9-315 of the Uniform Commercial Code, the proceeds thereof, in each case prior and superior in right to the Lien of any other person, except for Permitted Liens (as such term is defined in the Indenture).

(oo) Other than the financing statements filed or to be filed on or following the Completion Date in favor of the Trustee (which financing statements are identified on Schedule IV hereto), no effective mortgage, financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the property subject to the liens of the Indenture is on file in any filing or recording office except for financing statements filed in connection with Permitted Liens (as defined in the Indenture).

(pp) When executed and delivered to the Trustee on or prior to the Closing Date, the Indenture will be effective to grant and create as of the Completion Date, in favor of the Trustee, a valid and enforceable security interest in such of the Mortgaged Property (as defined in the Indenture) in which a security interest can be granted and created under Division 9 of the California Commercial Code and upon the filing of the financing statements filed or to be filed on or prior to the Completion Date and identified on Schedule IV hereto, such security interest will be perfected under the California Commercial Code in such of the Mortgaged Property described in the Indenture (to the extent fixtures) and in such financing statements as to Mortgaged Property in which a security interest can be perfected by the filing of a financing statement under the California Commercial Code and, subject to Section 9-315 of the Uniform Commercial Code, the proceeds thereof.

(qq) The Company carries, or is covered by, insurance in such amounts and covering such risks as is adequate for the conduct of its businesses and the value of its properties and as is customary for companies engaged in similar businesses in similar industries. The Company (i) has not received notice from any insurer or agent of such insurer that substantial capital improvements or other material expenditures will have to be made in order to continue such insurance and (ii) has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers at a cost that is not reasonably likely to have a Material Adverse Effect.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters pursuant to this Agreement shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. Purchase and Sale. Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company (i) at a purchase price of 99.65% of the principal amount thereof, plus accrued interest, if any, from June 19, 2020 to the Closing Date hereunder, the principal amount of Floating Rate Mortgage Bonds set forth opposite the name of such Underwriter in Schedule I, (ii) at a purchase price of 99.644% of the principal amount thereof, plus accrued interest, if any, from June 19, 2020 to the Closing Date hereunder, the principal amount of 2022 Mortgage Bonds set forth opposite the name of such Underwriter in Schedule I, (iii) at a purchase price of 99.189% of the principal amount thereof, plus accrued interest, if any, from June 19, 2020 to the Closing Date hereunder, the principal amount of 2027 Mortgage Bonds set forth opposite the name of such Underwriter in Schedule I, (iv) at a purchase price of 99.246% of the principal amount thereof, plus accrued interest, if any, from June 19, 2020 to the Closing Date hereunder, the principal amount of 2031 Mortgage Bonds set forth opposite the name of such Underwriter in Schedule I, (v) at a purchase price of 98.626% of the principal amount thereof, plus accrued interest, if any, from June 19, 2020 to the Closing Date hereunder, the principal amount of 2040 Mortgage Bonds set forth opposite the name of such Underwriter in Schedule I and (vi) at a purchase price of 98.494% of the principal amount thereof, plus accrued interest, if any, from June 19, 2020 to the Closing Date hereunder, the principal amount of 2050 Mortgage Bonds set forth opposite the name of such Underwriter in Schedule I.

3. Delivery and Payment. Delivery of and payment for the Securities shall be made at 10:00 a.m. (New York City time) at Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, NY 10017 on June 19, 2020, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against the irrevocable release of a wire transfer in the amount of (i) if the Closing Date is the Completion Date, the aggregate purchase price therefor, plus accrued interest, if any, to the Closing Date, to the

account or accounts specified by the Company, in immediately available funds, or (ii) if the Closing Date is not the Completion Date, the aggregate purchase price for the Securities, plus accrued interest, if any, to the Closing Date, to the Escrow Account, in immediately available funds, plus payment by the Company to the Escrow Account, in immediately available funds, of an amount sufficient to fund the redemption of the Securities on September 14, 2020 pursuant to the special mandatory redemption provisions set forth in the Indenture. Delivery of the Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

4. Offering by Underwriters. It is understood that the several Underwriters propose to, and they hereby represent that they will, offer the Securities for sale to the public as set forth in the Disclosure Package and the Final Prospectus.

5. Agreements. The Company agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement (including the Final Prospectus or any Preliminary Prospectus) to the Base Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. The Company will cause the Final Prospectus, properly completed, and any supplement thereto to be filed in a form approved by the Representatives with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (i) when the Final Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (ii) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (iii) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Final Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use, any order preventing or suspending the use of any preliminary prospectus, any Issuer Free Writing Prospectus or the Final Prospectus, or the institution or threatening of any proceeding for the purpose of suspending the effectiveness of the Registration Statement or preventing or suspending the use of any preliminary prospectus, any Issuer Free Writing Prospectus or the Final Prospectus, and (v) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its reasonable best efforts to prevent (i) the issuance of such stop order or other order referred to in the preceding sentence, or (ii) the occurrence of (A) any suspension of the effectiveness, or objection to the use, of the Registration Statement or (B) any prevention or suspension of the use of the preliminary prospectus, any Issuer Free Writing Prospectus or the Final Prospectus and, upon such issuance, occurrence or

notice of objection, to obtain as soon as possible the withdrawal of such stop order or relief from such occurrence or objection, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its reasonable best efforts to have such amendment or new registration statement declared effective as soon as practicable.

(b) The Company shall prepare a final term sheet for the Securities, containing solely descriptions of the respective final terms and offering of the Securities, in the form approved by you and attached as Schedule II hereto, and file such term sheet pursuant to Rule 433(d) within the time required by such Rule.

(c) If, at any time prior to the filing of the Final Prospectus pursuant to Rule 424(b), any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made or the circumstances then prevailing not misleading, the Company will (i) notify promptly the Representatives so that any use of the Disclosure Package may cease until it is amended or supplemented; (ii) amend or supplement the Disclosure Package to correct such statement or omission; and (iii) supply any amendment or supplement to you in such quantities as you may reasonably request.

(d) If, at any time following issuance of an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication and prior to the completion of the distribution of the Securities, any event occurs as a result of which such Issuer Free Writing Prospectus or Written Testing-the-Waters Communications would conflict with the information in the Registration Statement, Disclosure Package or the Final Prospectus or would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made or the circumstances then prevailing not misleading, the Company will (i) notify promptly the Representatives so that any use of such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication may cease until it is amended or supplemented; (ii) amend or supplement such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication to correct such statement or omission; and (iii) supply any amendment or supplement to you in such quantities as you may reasonably request.

(e) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), any event occurs as a result of which the Final Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made at such time not misleading, or if it shall be necessary to amend the Registration Statement, file a new registration statement or supplement the Final Prospectus to comply with the Act or the Exchange Act or the respective rules thereunder, including in connection with use or delivery of the Final Prospectus, the Company promptly will (i) notify the Representatives of any such event, (ii) prepare and file with the Commission, subject to the second sentence of paragraph (a)

of this Section 5, an amendment or supplement or new registration statement which will correct such statement or omission or effect such compliance, (iii) use its reasonable best efforts to have any amendment to the Registration Statement or new registration statement declared effective as soon as practicable in order to avoid any disruption in use of the Final Prospectus and (iv) supply any supplemented Final Prospectus to you in such quantities as you may reasonably request.

(f) As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158.

(g) The Company will furnish to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), as many copies of each Preliminary Prospectus, the Final Prospectus and any Issuer Free Writing Prospectus and any supplement thereto as the Representatives may reasonably request. The Company will pay the expenses of printing or other production of all documents relating to the offering.

(h) The Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate and will maintain such qualifications in effect so long as required for the distribution of the Securities; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(i) Prior to the completion of the distribution of the Securities, the Company will not use or refer to any Free Writing Prospectus, except as permitted pursuant to Rule 164(e)(2); and to the extent the Company is so permitted to use a Free Writing Prospectus pursuant to such rule, the Company will furnish to you a copy of each proposed Free Writing Prospectus to be prepared by or on behalf of, used by, or referred to by the Company and will not use or refer to any proposed Free Writing Prospectus to which you reasonably object.

(j) The Company will not take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) a Free Writing Prospectus prepared by or on behalf of the Underwriters that the Underwriters otherwise would not have been required to file thereunder.

(k) During the period from the date of this Agreement through the Closing Date, the Company will not, without the prior written consent of the Representatives, offer, sell, contract to sell, pledge, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition

(whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any controlled affiliate of the Company), directly or indirectly, or confidentially submit or file (or participate in the filing of) a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any debt securities issued or guaranteed by the Company (other than the Securities) or publicly announce an intention to effect any such transaction; provided that the prior written consent of the Representatives shall not be required for issuances of commercial paper or other debt securities with scheduled maturities of less than one year.

(l) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(m) The Company agrees to pay the costs and expenses relating to the following matters: (i) the preparation, printing or reproduction and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), each Preliminary Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus and any Written Testing-the-Waters Communication, and each amendment or supplement to any of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, each Preliminary Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus and any Written Testing-the-Waters Communication, and all amendments or supplements to any of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Securities; (iii) the preparation, printing, authentication, issuance and delivery of certificates for the Securities, and any stamp or transfer taxes in connection with the original issuance and sale of the Securities; (iv) the printing (or reproduction) and delivery of this Agreement, any blue sky memorandum (the cost of such memorandum not to exceed \$15,000) and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Securities; (v) any registration or qualification of the Securities for offer and sale under the securities or blue sky laws of the several states (including filing fees and the reasonable fees and expenses of counsel for the Underwriters relating to such registration and qualification); (vi) any filings required to be made with the Financial Industry Regulatory Authority, Inc. (including filing fees and the reasonable fees and expenses of counsel for the Underwriters relating to such filings); (vii) the costs and expenses of the Company relating to investor presentations on any Road Show undertaken in connection with the marketing of the offering of the Securities; (ix) the fees and expenses of the Trustee and the Escrow Agent, including the fees and disbursements of counsel for the Trustee and the Escrow Agent in connection with the transactions contemplated hereby; (x) all fees and expenses associated with the grant or perfection of the security interests and liens to be obtained pursuant to the Indenture or under the Escrow Agreement, including, without limitation, the preparation of the Indenture and the Escrow Agreement and the other documents required thereunder in connection therewith (other than the fees and expenses of counsel for the Underwriters related thereto) and all

lien search and filing fees in connection with perfecting the security interest in the Escrow Collateral; (xi) the recording of the Base Indenture and any supplemental indenture in the real estate mortgage records in the applicable county recording offices of the State of California; (x) the fees and expenses of the Company's accountants and the fees and expenses of counsel (including local and special counsel) for the Company; and (xi) all other costs and expenses incident to the performance by the Company of its obligations hereunder.

(n) If the Closing Date is not the Completion Date, on the Closing Date, the Company shall deposit or cause to be deposited the net proceeds from the sale of the Securities received by the Company, together with sufficient cash and U.S. Government Securities (as defined in the Disclosure Package) to fund the Escrow Redemption Price on the last possible Escrow Redemption Date (each as defined in the Disclosure Package) for all of the Securities.

(o) If the Completion Date is not the Closing Date, the Company will use its reasonable best efforts to consummate the Concurrent Transactions to which it is a party on or prior to the Completion Date, and will assist the Parent in consummating the Concurrent Transactions to which the Parent is a party.

(p) If the Completion Date is not the Closing Date, the Company will use its reasonable best efforts to satisfy, and will assist the Parent in satisfying, all conditions to the effectiveness of the Plan on or before the Completion Date.

(q) As of the Completion Date, the Company shall have good and valid title to, or valid leasehold interests in, all real property and all personal property subject to the liens of the Indenture, in each case free and clear of all liens, encumbrances, equities or claims (i) except for such liens, encumbrances, equities or claims as are described in the Disclosure Package and the Prospectus or are permitted by the Indenture and (ii) except for such defects in title as are not reasonably likely to, individually or in the aggregate, materially interfere with the use made or to be made of such property by the Company, materially impair the liens of the Indenture or have a material adverse effect on (x) the condition (financial or other), results of operations or business of the Company or (y) the authority or the ability of the Company to enter into or perform its obligations under this Agreement, the Indenture or the Securities.

(r) Promptly following the Completion Date, the Company shall cause the Indenture and all indentures and instruments supplemental hereto (or notices, memoranda or financing statements or amendments thereto as may be recorded or filed to place third parties on notice thereof) (together with accurate and complete legal descriptions of the Mortgaged Property, including after-acquired Mortgaged Property) to be recorded and filed and re-recorded and re-filed in such manner and in such places, as may be required by law in order to fully preserve and protect the security of the holders of the Securities.

(s) The Company will use its reasonable best efforts to repay all amounts outstanding under the DIP Credit Agreement on, or substantially concurrently with, the Completion Date, and to cause all liens related thereto to be extinguished, terminated or otherwise released or shall be extinguished on, or substantially concurrently with, the Completion Date.

(t) On the Completion Date (if the Completion Date is not the Closing Date), the Company shall (i) cause to be delivered to the Underwriters an opinion of Hunton Andrews Kurth LLP, counsel for the Company, dated as of the Completion Date, in form and substance reasonably satisfactory to the Representatives; (ii) the Representatives shall have received from the General Counsel of the Company a written opinion, dated the Completion Date, and addressed to the Representatives, in form and substance reasonably satisfactory to the Representatives; (iii) the Company shall have furnished to the Representatives a certificate of the Company, signed by the Chairman of the Board, the Chief Executive Officer, the President, any Executive Vice President, any Senior Vice President or the Treasurer and by the Chief Financial Officer of the Company, dated the Completion Date, to the effect that: (a) the representations and warranties of the Company contained in sections 1(f), 1(i), 1(nn), 1(oo), 1(pp) of this Agreement are true and correct on and as of the Completion Date with the same effect as if made on the Completion Date and (b) the Escrow Conditions have been satisfied; and (iv) cause to be delivered to the Underwriters any other certificates, evidence and documents confirming compliance with and satisfaction of the Escrow Conditions in accordance with the Escrow Agreement and such other certificates or documents as the Underwriters shall reasonably request.

6. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Securities shall be subject to the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time and the Closing Date, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Final Prospectus, and any supplement thereto, shall have been filed in the manner and within the time period required by Rule 424(b); the final term sheets contemplated by Section 5(b) hereto, and any other material required to be filed by the Company pursuant to Rule 433(d) under the Act, shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433; and no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Representatives shall have received from Hunton Andrews Kurth LLP, counsel for the Company, their written opinion and negative assurance letter, dated the Closing Date, and addressed to the Representatives, in form and substance reasonably satisfactory to the Representatives.

(c) The Representatives shall have received from the General Counsel of the Company a written opinion, dated the Closing Date, and addressed to the Representatives, in form and substance reasonably satisfactory to the Representatives.

(d) The Representatives shall have received from Davis Polk & Wardwell LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Indenture, the Registration Statement, the Disclosure Package, the Final Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(e) The Company shall have furnished to the Representatives a certificate of the Company, signed by the Chairman of the Board, the Chief Executive Officer, the President, any Executive Vice President, any Senior Vice President or the Treasurer and by the Chief Financial Officer of the Company, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Disclosure Package, the Final Prospectus and any supplements or amendments thereto, as well as each Road Show and each Written Testing-the-Waters Communication used in connection with the offering of the Securities, and this Agreement and that:

- i. the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;
- ii. no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened;
- iii. since the date of the most recent financial statements included in the Disclosure Package and the Final Prospectus (exclusive of any supplement thereto), there has been no Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Final Prospectus (exclusive of any supplement thereto); and
- iv. if the Closing Date is the Completion Date, the Escrow Conditions have been satisfied.

(f) The Company shall have furnished to the Representatives, at the Execution Time, at the Closing Date, a certificate of the Company, signed by the Chief Financial Officer of the Company, dated the date of this Agreement and the Closing Date, with respect to certain financial data contained in the Registration Statement, the Disclosure Package, the Final Prospectus and any supplements or amendments thereto, as well as each Road Show and Written Testing-the-Waters Communication used in connection with the offering of the Securities, providing "management comfort" with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(g) The Company shall have requested and caused Deloitte & Touche LLP to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives.

(h) The Company shall have executed and delivered the Base Indenture and the Supplemental Indenture, in form and substance satisfactory to the Representatives.

(i) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Final Prospectus (exclusive of any amendment or supplement thereto), there shall not have been (i) any change in or affecting the condition (financial or otherwise), earnings, business or properties of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Final Prospectus (exclusive of any amendment or supplement thereto) the effect of which is, in the judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof), the Disclosure Package and the Final Prospectus (exclusive of any amendment or supplement thereto).

(j) Subsequent to the Execution Time, there shall not have been any decrease in the rating of any of PG&E Corporation's or the Company's debt securities by any "nationally recognized statistical rating organization" (as defined in Section 3(a)(62) of the Exchange Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(k) The Bridge Commitments will be automatically reduced by the Net Cash Proceeds (as defined in the Commitment Letters governing the Bridge Commitments) received by the Company from the issuance and sale of the Securities.

(l) Prior to or on the Closing Date (if the Closing Date is not the Completion Date), the Escrow Agreement shall have been entered into by the parties thereto and the Underwriters shall have received an executed copy thereof.

(m) If the Completion Date occurs prior to or on the Closing Date, the Company shall have complied with or satisfied all the agreements in Section 5(n) through Section 5(s) hereof on its part to be performed or satisfied at or prior to the Completion Date and the Escrow Conditions shall have been satisfied.

(n) Prior to or on the Closing Date, the Company shall have furnished to the Representatives such further information, certificates and documents as the Representatives may reasonably request.

If any of the conditions specified in this Section 6 shall not have been fulfilled when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be reasonably satisfactory in

form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered by physical or electronic means to the office of Davis Polk & Wardwell LLP, counsel for the Underwriters, at 450 Lexington Avenue, New York, New York 10017, on the Closing Date.

7. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 10 hereof or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters on demand for all expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities.

8. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act and each affiliate of any Underwriter within the meaning of Rule 405 under the Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or in any subsequent amendment thereof or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Base Prospectus, any Preliminary Prospectus or any other preliminary prospectus supplement relating to the Securities, the Final Prospectus, the Disclosure Package, any Issuer Free Writing Prospectus, any Road Show or any Written Testing-the-Waters Communication, or in any amendment thereof or supplement thereto, or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon

and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8(b). This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Company acknowledges that the statements set forth (i) in the last paragraph of the cover page regarding delivery of the Securities, (ii) under the heading "Underwriting," (A) the sentences related to concessions and reallowances and (B) the paragraph related to short sales, stabilization, syndicate covering transactions and penalty bids in any Preliminary Prospectus and the Final Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in any Preliminary Prospectus, the Final Prospectus, any Issuer Free Writing Prospectus, any Road Show or any Written Testing-the-Waters Communication.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses

available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate counsel (in addition to one local counsel) for all such indemnified parties. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include any statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party. No indemnifying party will be liable for any settlement of any such action effected without its prior written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) In the event that the indemnity provided in paragraph (a), (b) or (c) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Underwriters severally agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which the Company and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and by the Underwriters on the other from the offering of the Securities; provided, however, that in no case shall any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such Underwriter hereunder. If the allocation provided by the immediately preceding sentence is not permitted by applicable law or unavailable for any reason, the Company and the Underwriters severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Final Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact

or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or the Underwriters on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the underwriting discount or commission applicable to the Securities purchased by such Underwriter hereunder as set forth on the cover page of the Final Prospectus exceeds (y) the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

9. Default by an Underwriter. If, on the Closing Date, any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the principal amount of Securities set forth opposite their names in Schedule I hereto bears to the aggregate principal amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate principal amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate principal amount of Securities set forth in Schedule I hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such non-defaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any non-defaulting Underwriter or the Company. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any non-defaulting Underwriter for damages occasioned by its default hereunder.

10. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to such delivery and payment: (a) (i) trading in the common stock of PG&E Corporation shall have been suspended by the Commission or the New York Stock Exchange, (ii) trading in any series of the preferred stock of the Company shall have been suspended by the Commission or the NYSE American LLC, (iii) (A) trading in securities generally on the New York Stock Exchange shall have been suspended or limited, (B) minimum prices shall have been established on either of such exchanges, or (C) there shall have been a material disruption in the clearance or settlement of securities generally on either of such exchanges which makes it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by this Agreement, the Disclosure Package or the Final Prospectus (exclusive of any amendment or supplement thereto), (b) a banking moratorium shall have been declared either by Federal, California or New York State authorities, (c) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war, or other calamity or crisis which makes it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by this Agreement, the Disclosure Package or the Final Prospectus (exclusive of any amendment or supplement thereto) or (d) there shall have been such a material adverse change in general economic, political or financial conditions or the financial markets in the United States which makes it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by this Agreement, the Disclosure Package or the Final Prospectus (exclusive of any amendment or supplement thereto).

11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of the officers, directors, employees, agents or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. Notices. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to each of J.P. Morgan Securities LLC, 383 Madison Avenue, New York, NY 10179 (fax no.: (212) 834-6081), Attention: Investment Grade Syndicate Desk - 3rd floor; Barclays Capital Inc., 745 Seventh Avenue, New York, NY 10019, Attention: Syndicate Registration (fax no.: (212) 526-0015); BofA Securities, Inc., 50 Rockefeller Plaza, NY 1-050-12-02, New York, NY 10020, Attention: High Grade Transaction Management/Legal (fax no.: (646) 855-5958); Citigroup Global Markets, Inc., 388 Greenwich Street, New York, NY 10013, Attention: General Counsel (fax no.: (646) 291-1469); and Goldman Sachs & Co. LLC, 200 West Street, New York, NY 10282, Attention: Registration Department; or, if sent to the Company, will be mailed, delivered or telefaxed to the Company's General Counsel (fax no.: (415) 973-6374) and confirmed to the Company's General Counsel, PG&E Corporation, at 77 Beale Street, San Francisco, CA 94105, Attention: General Counsel.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

13. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. No Fiduciary Duty. The Company hereby acknowledges that (a) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Underwriters and any affiliate through which it may be acting, on the other, (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Company and (c) the Company's engagement of the Underwriters in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of whether any of the Underwriters has advised or is currently advising the Company on related or other matters). The Company agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

15. Research Analyst Independence. The Company acknowledges that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering of the Securities that differ from the views of their respective investment banking divisions. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Underwriters' investment banking divisions. The Company acknowledges that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

16. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

17. Applicable Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

18. Waiver of Jury Trial. The Company hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

19. Counterparts. This Agreement or any document to be signed in connection with this Agreement may be executed in one or more counterparts by manual, facsimile or electronic signature, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The words "execution," "signed," "delivery," and words of like import in or relating to this Agreement or any document to be signed in connection with this Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

20. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

21. Definitions. The terms that follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Base Prospectus" shall mean the base prospectus referred to in paragraph 1(a) above contained in the Registration Statement at the Execution Time.

"Bridge Commitments" shall mean the commitments in respect to the facilities under each of (i) that certain Commitment Letter dated as of October 4, 2019 among Pacific Gas and Electric Company, as the borrower, PG&E Corporation and the commitment parties from time to time party thereto, as amended, modified or supplemented from time to time prior to the date hereof and (ii) that certain Commitment Letter dated as of October 4, 2019 among PG&E Corporation as the borrower, Pacific Gas and Electric Company and the commitment parties from time to time party thereto, as amended, modified or supplemented from time to time prior to the date hereof.

“Business Day” shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

“Commission” shall mean the Securities and Exchange Commission.

“DIP Credit Agreement” shall mean the Senior Secured Superpriority Debtor in Possession Credit, Guaranty and Security Agreement, dated as of February 1, 2019, among the Subsidiary, as borrower, the Company, as guarantor, JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as collateral agent.

“Disclosure Package” shall mean (i) the Base Prospectus, (ii) the Preliminary Prospectus used most recently prior to the Execution Time, (iii) any Issuer Free Writing Prospectus identified in Schedule III hereto, (iv) any other Free Writing Prospectus permitted pursuant to Rule 164(e)(2) that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package, and (v) the information listed under item 1 of Schedule III hereto.

“Effective Date” shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto or any Rule 462(b) Registration Statement, became or becomes effective and, if later, the date the annual report of the last completed fiscal year of the Company on Form 10-K was so filed.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Execution Time” shall mean 7:20 p.m. Eastern Time on June 16, 2020, which is the time of the first contract of sale of the Securities.

“Final Prospectus” shall mean the prospectus supplement relating to the Securities that was first filed pursuant to Rule 424(b) after the Execution Time, together with the Base Prospectus.

“Free Writing Prospectus” shall mean a free writing prospectus, as defined in Rule 405.

“Issuer Free Writing Prospectus” shall mean an issuer free writing prospectus, as defined in Rule 433, that is permitted pursuant to Rule 164(e)(2).

“Plan” means the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated December 12, 2019 (as amended on January 31, 2020, March 9, 2020, March 16, 2020, May 22, 2020, in draft form as filed with the Bankruptcy Court on June 14, 2020, and as may be further amended, modified or supplemented from time to time) filed with the Bankruptcy Court.

“Plan Effective Date” shall mean a business day on or after the Confirmation Date selected by the Company and the Subsidiary on which the conditions to the effectiveness of the Plan specified in Section 9.2 thereof have been satisfied or otherwise effectively waived in accordance with the terms thereof.

“Preliminary Prospectus” shall mean any preliminary prospectus supplement to the Base Prospectus referred to in paragraph 1(a) above which is used prior to the filing of the Final Prospectus, together with the Base Prospectus.

“Registration Statement” shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements and any prospectus supplement relating to the Securities that is filed with the Commission pursuant to Rule 424(b) and deemed part of such registration statement pursuant to Rule 430B, as amended on each Effective Date and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement or such Rule 462(b) Registration Statement, as the case may be, as so amended.

“Road Show” shall mean a road show, as defined in Rule 433(h)(4) under the Act, together with any communication that is provided or transmitted simultaneously with such road show in a manner designed to make such communication available as part of such road show.

“Rule 134,” “Rule 144A,” “Rule 158,” “Rule 163,” “Rule 163B,” “Rule 164,” “Rule 172,” “Rule 405,” “Rule 415,” “Rule 424,” “Rule 430B,” “Rule 433,” “Rule 462 and “Rule 501” refer to such rules under the Act.

“Rule 462(b) Registration Statement” shall mean any registration statement and any amendments thereto filed pursuant to Rule 462(b).

“Testing-the-Waters Communication” shall mean any oral or written communication with potential investors undertaken in reliance on Rule 163B.

“Trust Indenture Act” shall mean the Trust Indenture Act of 1939, as amended, and the rules and regulations of the Commission promulgated thereunder.

“Written Testing-the-Waters Communication” shall mean any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405.

22. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special

Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

“BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k);

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b);

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Margaret K. Becker

Name: Margaret K. Becker

Title: Senior Director and Treasurer

The foregoing Agreement is hereby confirmed and accepted as of the date first written above.

J.P. MORGAN SECURITIES LLC

By: /s/ Som Bhattacharyya
Name: Som Bhattacharyya
Title: Executive Director

BARCLAYS CAPITAL INC.

By: /s/ Robert Stowe
Name: Robert Stowe
Title: Managing Director

BOFA SECURITIES, INC.

By: /s/ Shawn Cepeda
Name: Shawn Cepeda
Title: Managing Director

CITIGROUP GLOBAL MARKETS INC.

By: /s/ Brian D. Bednarski
Name: Brian D. Bednarski
Title: Managing Director

GOLDMAN SACHS & CO. LLC

By: /s/ Douglas Buffone
Name: Douglas Buffone
Title: Managing Director

For themselves and as Representatives of the other several Underwriters named herein.

SCHEDULE I

Name of Underwriter	Principal Amount of Floating Rate Mortgage Bonds due 2022 to be Purchased	Principal Amount of 1.75% Mortgage Bonds due 2022 to be Purchased	Principal Amount of 2.10% Mortgage Bonds due 2027 to be Purchased	Principal Amount of 2.50% Mortgage Bonds due 2031 to be Purchased	Principal Amount of 3.30% Mortgage Bonds due 2040 to be Purchased	Principal Amount of 3.50% Mortgage Bonds due 2050 to be Purchased
J.P. Morgan Securities LLC	\$ 80,000,000	\$ 400,000,000	\$ 160,000,000	\$ 320,000,000	\$ 160,000,000	\$ 308,000,000
Barclays Capital Inc.	80,000,000	400,000,000	160,000,000	320,000,000	160,000,000	308,000,000
BofA Securities, Inc.	80,000,000	400,000,000	160,000,000	320,000,000	160,000,000	308,000,000
Citigroup Global Markets Inc.	80,000,000	400,000,000	160,000,000	320,000,000	160,000,000	308,000,000
Goldman Sachs & Co. LLC	80,000,000	400,000,000	160,000,000	320,000,000	160,000,000	308,000,000
BNP Paribas Securities Corp.	16,500,000	82,500,000	33,000,000	66,000,000	33,000,000	63,525,000
Credit Suisse Securities (USA) LLC	16,500,000	82,500,000	33,000,000	66,000,000	33,000,000	63,525,000
Mizuho Securities USA LLC	16,500,000	82,500,000	33,000,000	66,000,000	33,000,000	63,525,000
MUFG Securities Americas Inc.	16,500,000	82,500,000	33,000,000	66,000,000	33,000,000	63,525,000
Wells Fargo Securities, LLC	16,500,000	82,500,000	33,000,000	66,000,000	33,000,000	63,525,000
Samuel A. Ramirez & Company, Inc.	2,500,000	12,500,000	5,000,000	10,000,000	5,000,000	9,625,000
Siebert Williams Shank & Co., LLC	2,500,000	12,500,000	5,000,000	10,000,000	5,000,000	9,625,000
Academy Securities, Inc.	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Apto Partners, LLC	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Blaylock Robert Van, LLC	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Cabrera Capital Markets, LLC	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
CastleOak Securities, L.P.	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Great Pacific Securities	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Loop Capital Markets LLC	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
MFR Securities, Inc.	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Penserra Securities LLC	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
R. Seelaus & Co., LLC	1,250,000	6,250,000	2,500,000	5,000,000	2,500,000	4,812,500
Total	\$ 500,000,000	\$ 2,500,000,000	\$ 1,000,000,000	\$ 2,000,000,000	\$ 1,000,000,000	\$ 1,925,000,000

SCHEDULE II

Issuer Free Writing Prospectus dated June 16, 2020
Filed Pursuant to Rule 433
Registration No. 333-236629
(Supplementing the Preliminary Prospectus Supplement
dated June 15, 2020 to the Prospectus dated June 9, 2020)

PRICING TERM SHEET



Pacific Gas and Electric Company

\$500,000,000 Floating Rate First Mortgage Bond due 2022 (the “Floating Rate Mortgage Bonds”)

\$2,500,000,000 1.75% First Mortgage Bonds due 2022 (the “2022 Mortgage Bonds”)

\$1,000,000,000 2.10% First Mortgage Bonds due 2027 (the “2027 Mortgage Bonds”)

\$2,000,000,000 2.50% First Mortgage Bonds due 2031 (the “2031 Mortgage Bonds”)

\$1,000,000,000 3.30% First Mortgage Bonds due 2040 (the “2040 Mortgage Bonds”)

\$1,925,000,000 3.50% First Mortgage Bonds due 2050 (the “2050 Mortgage Bonds”)

The information in this pricing term sheet relates to Pacific Gas and Electric Company’s offering of mortgage bonds in the series listed above and should be read together with the preliminary prospectus supplement dated June 15, 2020 (the “Preliminary Prospectus Supplement”) relating to such offering and the accompanying prospectus dated June 9, 2020, including the documents incorporated by reference therein, each filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended, included in the Registration Statement No. 333-236629 (as supplemented by such Preliminary Prospectus Supplement, the “Preliminary Prospectus”). The information in this pricing term sheet supplements the Preliminary Prospectus and supersedes the information in the Preliminary Prospectus to the extent inconsistent with the information in the Preliminary Prospectus. Other information (including financial information) presented or incorporated by reference in the Preliminary Prospectus is deemed to have changed to the extent affected by the changes described herein.

Issuer: Pacific Gas and Electric Company

Anticipated Ratings (Moody’s/S&P/Fitch):* [Intentionally Omitted]

Aggregate Principal Amount Offered:

Floating Rate Mortgage Bonds:	\$500,000,000
2022 Mortgage Bonds:	\$2,500,000,000
2027 Mortgage Bonds:	\$1,000,000,000
2031 Mortgage Bonds:	\$2,000,000,000
2040 Mortgage Bonds:	\$1,000,000,000
2050 Mortgage Bonds:	\$1,925,000,000

Issue Price:

Floating Rate Mortgage Bonds:	100.00%, plus accrued interest, if any, from June 19, 2020
2022 Mortgage Bonds:	99.994%, plus accrued interest, if any, from June 19, 2020
2027 Mortgage Bonds:	99.814%, plus accrued interest, if any, from June 19, 2020
2031 Mortgage Bonds:	99.896%, plus accrued interest, if any, from June 19, 2020

2040 Mortgage Bonds: 99.501%, plus accrued interest, if any, from June 19, 2020
2050 Mortgage Bonds: 99.369%, plus accrued interest, if any, from June 19, 2020

Trade Date: June 16, 2020

Settlement Date: June 19, 2020 (T+3)

Maturity Date: Floating Rate Mortgage Bonds: June 16, 2022
2022 Mortgage Bonds: June 16, 2022
2027 Mortgage Bonds: August 1, 2027
2031 Mortgage Bonds: February 1, 2031
2040 Mortgage Bonds: August 1, 2040
2050 Mortgage Bonds: August 1, 2050

Interest Payment Dates: Interest on the Floating Rate Mortgage Bonds will be payable quarterly in arrears on March 16, June 16, September 16 and December 16 of each year, commencing on September 16, 2020, subject to adjustment as provided in the Prospectus Supplement if any such date is not a business day, and at maturity.

Interest on the 2022 Mortgage Bonds will be payable semi-annually in arrears on June 16 and December 16 of each year, commencing on December 16, 2020.

Interest on the 2027 Mortgage Bonds, 2031 Mortgage Bonds, 2040 Mortgage Bonds and 2050 Mortgage Bonds will be payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 2021.

Interest: Floating Rate Mortgage Bonds: three-month LIBOR plus 1.48% per annum, payable quarterly in arrears and reset quarterly.

2022 Mortgage Bonds: 1.75%
2027 Mortgage Bonds: 2.10%
2031 Mortgage Bonds: 2.50%
2040 Mortgage Bonds: 3.30%
2050 Mortgage Bonds: 3.50%

See “Description of the Mortgage Bonds—Interest—Floating Rate Mortgage Bonds—Effect of Benchmark Transition Event” contained in the Preliminary Prospectus Supplement, which describes how the interest payments for the Floating Rate Mortgage Bonds will be determined by reference to a different base rate than LIBOR following the occurrence of a Benchmark Transition Event (as defined in the Preliminary Prospectus Supplement).

Interest Reset Dates for Floating Rate Mortgage Bonds: Each March 16, June 16, September 16 and December 16, commencing September 16, 2020, subject to adjustment as provided in the Prospectus Supplement if any such date is not a business day.

Regular Record Dates: With respect to the Floating Rate Mortgage Bonds, March 2, June 2, September 2 and December 2, as the case may be, immediately

preceding the applicable interest payment date (whether or not such record date is a business day); provided, however, that interest payable at maturity shall be payable to the persons to whom principal shall be payable.

With respect to the 2022 Mortgage Bonds, June 2 and December 2, as the case may be, immediately preceding the applicable interest payment date (whether or not such record date is a business day).

With respect to the 2027 Mortgage Bonds, 2031 Mortgage Bonds, 2040 Mortgage Bonds and 2050 Mortgage Bonds, January 15 or July 15, as the case may be, immediately preceding the applicable interest payment date (whether or not such record date is a business day).

Proceeds to the Company:

Approximately \$8,848,429,500.00 (after deducting the underwriting discounts but before deducting estimated offering expenses payable by the Company).

Benchmark Treasury:

2022 Mortgage Bonds: 0.125% due May 31, 2022
2027 Mortgage Bonds: 0.500% due May 31, 2027
2031 Mortgage Bonds: 0.625% due May 15, 2030
2040 Mortgage Bonds: 2.000% due February 15, 2050
2050 Mortgage Bonds: 2.000% due February 15, 2050

Benchmark Treasury Price:

2022 Mortgage Bonds: 99-27 1/8
2027 Mortgage Bonds: 99-15
2031 Mortgage Bonds: 98-22+
2040 Mortgage Bonds: 111-02+
2050 Mortgage Bonds: 111-02+

Benchmark Treasury Yield:

2022 Mortgage Bonds: 0.203%
2027 Mortgage Bonds: 0.578%
2031 Mortgage Bonds: 0.761%
2040 Mortgage Bonds: 1.534%
2050 Mortgage Bonds: 1.534%

Spread to Benchmark Treasury:

2022 Mortgage Bonds: + 155 basis points
2027 Mortgage Bonds: + 155 basis points
2031 Mortgage Bonds: + 175 basis points
2040 Mortgage Bonds: + 180 basis points
2050 Mortgage Bonds: + 200 basis points

Yield to Maturity:

2022 Mortgage Bonds: 1.753%
2027 Mortgage Bonds: 2.128%
2031 Mortgage Bonds: 2.511%
2040 Mortgage Bonds: 3.334%
2050 Mortgage Bonds: 3.534%

Optional Redemption:

After the satisfaction of the Escrow Conditions (as defined in the Preliminary Prospectus Supplement), the Company may, at its option, redeem at any time and from time to time on or after June 16, 2021, the Floating Rate Mortgage Bonds at 100% of the principal amount of the Floating Rate Mortgage Bonds being redeemed plus accrued and unpaid interest to, but excluding, the redemption date.

After the satisfaction of the Escrow Conditions, the Company may, at its option, redeem at any time and from time to time prior to June 16, 2021, in the case of the 2022 Mortgage Bonds, June 1, 2027, in the case of the 2027 Mortgage Bonds, November 1, 2030, in the case of the 2031 Mortgage Bonds, February 1, 2040, in the case of the 2040 Mortgage Bonds, and February 1, 2050, in the case of the 2050 Mortgage Bonds, some or all of the mortgage bonds of the applicable series at 100% of the principal amount to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date, plus a “make-whole premium” calculated based on the applicable Treasury Rate + 25 bps, in the case of the 2022 Mortgage Bonds, + 25 bps, in the case of the 2027 Mortgage Bonds, + 30 bps, in the case of the 2031 Mortgage Bonds, + 30 bps, in the case of the 2040 Mortgage Bonds and + 30 bps, in the case of the 2050 Mortgage Bonds.

At any time after the satisfaction of the Escrow Conditions and on or after June 16, 2021, in the case of the 2022 Mortgage Bonds, June 1, 2027 in the case of the 2027 Mortgage Bonds, November 1, 2030, in the case of the 2031 Mortgage Bonds, February 1, 2040, in the case of the 2040 Mortgage Bonds, and February 1, 2050, in the case of the 2050 Mortgage Bonds, the Company may redeem the mortgage bonds, in whole or in part, at 100% of the principal amount of the mortgage bonds being redeemed plus accrued and unpaid interest to, but excluding, the redemption date.

Use of Proceeds:

Concurrently with the satisfaction of the Escrow Conditions, the escrowed funds will be released and the Company intends to use the net proceeds from the sale of the mortgage bonds, together with the net proceeds from the other Plan Financing Transactions (as described in the Preliminary Prospectus), to effectuate the Company’s reorganization in accordance with the terms and conditions contained in the Plan of Reorganization, as described in the Preliminary Prospectus.

Escrow of Net Proceeds; Special Mandatory Redemption

The aggregate net proceeds of the mortgage bonds will be placed in escrow if the Escrow Conditions are not satisfied prior to the closing date. See “Description of the Mortgage Bonds—Escrow of Net Proceeds; Special Mandatory Redemption” contained in the Preliminary Prospectus Supplement.

Mandatory redemption at 101%, if the Escrow Conditions (as defined in the Preliminary Prospectus Supplement) are not satisfied on or before September 9, 2020.

CUSIP / ISIN:

Floating Rate Mortgage Bonds: 694308JD0 / US694308JD05
2022 Mortgage Bonds: 694308JE8 / US694308JE87
2027 Mortgage Bonds: 694308JF5 / US694308JF52
2031 Mortgage Bonds: 694308JG3 / US694308JG36
2040 Mortgage Bonds: 694308JH1 / US694308JH19
2050 Mortgage Bonds: 694308JJ7 / US694308JJ74

Joint Book-Running Managers:

J.P. Morgan Securities LLC
Barclays Capital Inc.
BofA Securities, Inc.
Citigroup Global Markets Inc.
Goldman Sachs & Co. LLC

BNP Paribas Securities Corp.
Credit Suisse Securities (USA) LLC
Mizuho Securities USA LLC
MUFG Securities Americas Inc.
Wells Fargo Securities, LLC

Co-Managers:

Samuel A. Ramirez & Company, Inc.
Siebert Williams Shank & Co., LLC
Academy Securities, Inc.
Apto Partners, LLC
Blaylock Van, LLC
Cabrera Capital Markets, LLC
CastleOak Securities, L.P.
Great Pacific Securities
Loop Capital Markets LLC
MFR Securities, Inc.
Penserra Securities LLC
R. Seelaus & Co., LLC

* Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

It is expected that delivery of the mortgage bonds will be made against payment thereof on or about June 19, 2020, which will be the third business day following the date of the pricing of the mortgage bonds (such settlement being referred to as “T+3”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are generally required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the mortgage bonds prior to the second business day preceding the date of delivery of the mortgage bonds will be required, by virtue of the fact that the mortgage bonds will initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the mortgage bonds who wish to trade the mortgage bonds prior to the second business day preceding the date of delivery of the mortgage bonds should consult their own advisors.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering.

You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting J.P. Morgan Securities LLC, collect at 1-212-834-4533, Barclays Capital Inc. at 1-888-603-5847 or Barclaysprospectus@broadridge.com, BofA Securities, Inc. at 1-800-294-1322 or dg.prospectus_requests@bofa.com, Citigroup Global Markets Inc. at 1-800-831-9146 or Goldman Sachs & Co. LLC at 1-866-471-2526.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR ANOTHER EMAIL SYSTEM.

SCHEDULE III

1. Schedule of Free Writing Prospectuses permitted pursuant to Rule 164(e)(2) that are included in the Disclosure Package:
 - (a) Pricing Term Sheet included as Schedule II hereto
2. Written Testing-the-Waters Communications:
 - (a) Investor Presentation dated May 26, 2020
 - (b) Investor Presentation dated June 15, 2020

III

SCHEDULE IV

1. A UCC-1 financing statement naming the Company as debtor and the Trustee as a secured party and describing the Mortgaged Property as collateral, to be filed with the California Secretary of State.
2. A UCC-1 financing statement naming the Company as debtor and the Trustee as a secured party and describing the Mortgaged Property, that is, or is to become Fixtures, as collateral, to be filed with the California Secretary of State.

TO BE RECORDED AND WHEN
RECORDED RETURN TO:

Hunton Andrews Kurth LLP
550 South Hope Street, Suite 2000
Los Angeles, CA 90071
Attention: Robert M. Johnson, Esq.

**INDENTURE OF MORTGAGE
(MORTGAGE)**

Dated as of June 19, 2020

This is a Security Agreement as well as a
Mortgage of Real Estate and Other Property

**PACIFIC GAS AND ELECTRIC COMPANY,
ISSUER (MORTGAGOR)**

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
TRUSTEE (MORTGAGEE)**

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS

PACIFIC GAS AND ELECTRIC COMPANY

Reconciliation and Tie between Trust Indenture Act of 1939 and Indenture of Mortgage, dated as of June 19, 2020.

Trust Indenture Act Section		Indenture Section(s)
Section 310	(a)(1)	11.09
	(a)(2)	11.09
	(a)(3)	11.14(ii)
	(a)(4)	Not Applicable
	(b)	11.08, 11.10
Section 311	(a)	11.13
	(b)	Not Applicable
Section 312	(a)	12.01
	(b)	12.01
	(c)	12.01
Section 313	(a)	12.02
	(b)	12.02
	(c)	12.02
	(d)	12.02
Section 314	(a)	12.02
	(b)	7.08
	(c)(1)	1.04
	(c)(2)	1.04
	(c)(3)	1.05
	(d)	5.02(b), 7.07(b), 8.03(c), 8.04(c), 8.05(b), 8.08
	(e)	1.04
	(f)	11.01, 11.03
Section 315	(a)	11.02
	(b)	11.01
	(c)	11.01
	(d)	11.01
	(e)	10.18
Section 316	(a)	10.16
	(a)(1)(A)	10.16
	(a)(1)(B)	10.17
	(a)(2)	Not Applicable
	(b)	10.12
Section 317	(a)(1)	10.06
	(a)(2)	10.09
	(b)	7.03
Section 318	(a)	1.09

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INDENTURE OF MORTGAGE (this “**Indenture**”), dated as of June 19, 2020, between **PACIFIC GAS AND ELECTRIC COMPANY**, a corporation duly organized and existing under the laws of the State of California (the “**Company**”), as Mortgagor, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association organized under the laws of the United States of America, as Trustee and Mortgagee (the “**Trustee**”).

RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its Bonds (as hereinafter defined) to be issued in one or more series or Tranches (as hereinafter defined) as contemplated herein, and, from and after the Lien Effective Date (as hereinafter defined), to provide security for the payment of the principal of and premium, if any, and interest, if any, on the Bonds.

From and after the Lien Effective Date, the Bonds will be secured by a lien on and security interest in the Mortgaged Property (as hereinafter defined) to the extent provided herein.

All acts necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been performed. For all purposes of this Indenture, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article I of this Indenture.

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that, in consideration of the premises and of the purchase of the Bonds by the Holders thereof, and in order to secure the payment of the principal of and premium, if any, and interest, if any, on all Bonds from time to time Outstanding and the performance of the covenants therein and herein contained, and to declare the terms and conditions on which such Bonds are secured, the Company hereby grants, bargains, sells, conveys, assigns, transfers, mortgages, pledges, sets over and confirms to the Trustee, with power of sale, and grants to the Trustee a security interest in and lien on, the following, (subject, however, to the terms and conditions set forth in this Indenture), with such security interest and lien to become effective on the Lien Effective Date:

GRANTING CLAUSE FIRST

All right, title and interest of the Company, as of the Execution Date (as hereinafter defined), in and to all property, real, personal and mixed, located in the State of California, including without limitation all right, title and interest of the Company in and to the following property so located (other than Excepted Property (as hereinafter defined)): (a) all real property owned in fee and other interests in real property which are specifically described or referred to in Exhibit A attached hereto and incorporated herein by this reference; (b) all easements, licenses and permits to use the real property of others, franchises to use public roads, streets and other public properties, rights of way and other rights or interests relating to the occupancy or use of real property; (c) all facilities, machinery, equipment and fixtures for the generation, transmission and distribution of electric energy including, but not limited to, all plants, switchyards, towers, substations, transformers, poles, lines, cables, conduits, ducts, conductors,

meters, regulators and all other property used or to be used for any or all of such purposes; (d) all facilities, machinery, equipment and fixtures for the transmission and transportation, storage and distribution of gas including, but not limited to, gas works, stations and substations, transmission pipelines, storage facilities, holders, tanks, retorts, purifiers, odorizers, scrubbers, compressors, valves, regulators, pumps, mains, pipes, service pipes, conduits, ducts, fittings and connections, services, meters and any and all other property used or to be used for any or all of such purposes; (e) all buildings, offices, warehouses, structures or improvements in addition to those referred to or otherwise included in clauses (a), (c) and (d) above; (f) all computers, data processing, data storage, data transmission and/or telecommunications facilities, equipment and apparatus necessary for the operation or maintenance of any of the facilities, machinery, equipment or fixtures described or referred to in clauses (c) and (d) above; and (g) all of the foregoing property in the process of construction;

GRANTING CLAUSE SECOND

All right, title and interest of the Company in, to and under all property, real, personal and mixed (other than Excepted Property), located in the State of California which may be hereafter acquired by the Company, it being the intention of the Company that all such property acquired by the Company after the Execution Date shall be as fully embraced within and subjected to the lien hereof as if such property were owned by the Company as of the Execution Date;

GRANTING CLAUSE THIRD

All right, title and interest of the Company in, to and under any Excepted Property, which may, from time to time after the Execution Date, by delivery or by an instrument supplemental to this Indenture, be subjected to the lien hereof by the Company, the Trustee being hereby authorized to receive the same at any time as additional security hereunder; it being understood that any such subjection to the lien hereof of any Excepted Property as additional security may be made subject to such reservations, limitations or conditions respecting the use and disposition of such property or the proceeds thereof as shall be set forth in such instrument;

GRANTING CLAUSE FOURTH

All right, title and interest of the Company, whether now owned or hereafter acquired, in, to and under (i) all goods (as such term is defined in the California Commercial Code as in effect on the date hereof) located in the State of California, and (ii) all money, deposit accounts, instruments, investment property and other property (as such terms are defined in the California Commercial Code as in effect on the date hereof) paid or delivered to, deposited with, or held by the Trustee hereunder;

GRANTING CLAUSE FIFTH

All right, title and interest, whether now owned or hereafter acquired, of the Company in, to and under the rents, issues, profits, revenues and other income and proceeds of the property expressly subjected or expressly required to be subjected to the lien of this Indenture, and all the estate, right, title and interest of every nature whatsoever of the Company in and to the same and every part thereof, and all other property of whatever kind and nature expressly subjected to the lien of this Indenture or stated to constitute Mortgaged Property by any of the terms and provisions hereof; and

GRANTING CLAUSE SIXTH

All proceeds (as such term is defined in the California Commercial Code as in effect on the date hereof) of the foregoing.

EXCEPTED PROPERTY

Expressly excepting and excluding, however, from the lien of this Indenture all right, title and interest of the Company in, to or under the following property (other than such property as is described in Granting Clause Third of this Indenture), whether now owned or hereafter acquired (the “**Excepted Property**”):

(a) all money, investment property, deposit accounts and security entitlements (as such terms are defined in the California Commercial Code as in effect on the date hereof), and all cash on hand or on deposit in banks or other financial institutions, shares of stock, joint ventures, interests in general or limited partnerships or limited liability companies, bonds, notes, other evidences of indebtedness and other securities, commodity accounts and policies of insurance on the lives of officers and directors of the Company, of whatever kind and nature, in each case to the extent not hereafter paid or delivered to, deposited with, or held by the Trustee hereunder;

(b) all accounts, chattel paper, commercial tort claims, documents, general intangibles, instruments, letter-of-credit rights and letters of credit (as such terms are defined in the California Commercial Code as in effect on the date hereof), other than those specifically described in clause (b) of Granting Clause First and in Granting Clause Fourth of this Indenture; and all contracts, leases (including, but not limited to, the Diablo Canyon Lease (as hereinafter defined)), operating agreements and other agreements of whatever kind and nature; all contract rights, bills and notes (except to the extent that any of the same constitute securities, security entitlements or investment property, in which case they are separately excepted from the lien of this Indenture under clause (a) above); all revenues, income and earnings, all accounts receivable, rights to payment and unbilled revenues, all rents, tolls, issues, product and profits, claims, credits, demands and judgments, including any rights in or to rates, revenue components, charges, tariffs or amounts arising therefrom, or in any amounts that are accrued and recorded in a regulatory account for collections by the Company; all governmental and other licenses, permits, franchises, consents and allowances, including all emission allowances and greenhouse gas allowances (or similar rights) created under any similar existing or future law relating to abatement or control of pollution of the atmosphere, water or soil, other than those specifically described in clause (b) of Granting Clause First of this Indenture; and all patents, patent licenses and other patent rights, patent applications, trade names, trademarks, copyrights and other intellectual property, including computer software and software licenses; and all claims, credits, choses in action and other intangible property;

(c) all automobiles, buses, trucks, truck cranes, tractors, trailers, motor vehicles and similar vehicles and movable equipment; all rolling stock, rail cars and other railroad equipment; all vessels, boats, barges and other marine equipment; all airplanes, helicopters, aircraft engines and other flight equipment; and all parts, accessories and supplies used in connection with any of the foregoing;

(d) all goods, stock in trade, wares, merchandise and inventory held for the purpose of sale or lease in the ordinary course of business; all materials, supplies, inventory and other items of personal property which are consumable (otherwise than by ordinary wear and tear) in their use in the operation of the Mortgaged Property; all fuel, whether or not any such fuel is in a form consumable in the operation of the Mortgaged Property, including separate components of any fuel in the forms in which such components exist at any time before, during or after the period of the use thereof as fuel; all hand and other portable tools and equipment; all furniture and furnishings; and computers and data processing, data storage, data transmission, telecommunications and other facilities, equipment and apparatus, which, in any case, are used primarily for administrative or clerical purposes or are otherwise not necessary for the operation or maintenance of the facilities, machinery, equipment or fixtures described or referred to in clause (c) or (d) of Granting Clause First of this Indenture;

(e) all personal property the perfection of a security interest in which is not governed by the California Commercial Code;

(f) all oil, gas and other minerals (as such terms are defined in the California Commercial Code as in effect on the date hereof); and all coal, ore, gas, oil and other minerals and all timber, and all rights and interests in any of the foregoing, whether or not such minerals or timber shall have been mined or extracted or otherwise separated from the land; and all electric energy and capacity, gas (natural or artificial), steam, water and other products generated, produced, manufactured, purchased or otherwise acquired by the Company;

(g) all property which is the subject of a lease agreement designating the Company as lessee and all right, title and interest of the Company in and to such property and in, to and under such lease agreement, whether or not such lease agreement is intended as security, including, but not limited to, the Company's right, title and interest in and to the property which is the subject of the Diablo Canyon Lease;

(h) all property, real, personal and mixed, which subsequent to the Execution Date, has been released from the lien of this Indenture, and any improvements, extensions and additions to such properties and renewals, replacements and substitutions of or for any parts thereof;

(i) all property, real, personal and mixed, that is stated in Sections 8.10(d), 13.03 or 13.05 of this Indenture to not be subject to the lien of this Indenture;

(j) all Environmental Remediation Sites;

(k) all General Office Property;

(l) Hydro Property described in Exhibit B-4;

(m) all Mitigation Property;

- (n) all Surplus Property;
- (o) all Diablo Canyon Property; and
- (p) all proceeds (as such term is defined in the California Commercial Code as in effect on the date hereof) of the foregoing,

provided, however, that Excepted Property shall not include the identifiable proceeds (as such term is defined in the California Commercial Code as in effect on the date hereof) of any Mortgaged Property that the Company has disposed of in violation of the terms of this Indenture; and provided, further, that subject to the provisions of Section 13.03, if, at any time after the occurrence of an Event of Default, the Trustee (acting at the written direction by the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding), or any separate trustee or co-trustee appointed under Section 11.14 or any receiver appointed pursuant to Section 10.08 or otherwise, shall have entered into possession of all or substantially all the Mortgaged Property, to the extent permitted by law, all the Excepted Property described or referred to in the foregoing clauses (c) and (d) then owned or held or thereafter acquired by the Company, to the extent that the same is used in connection with, or otherwise relates or is attributable to, the Mortgaged Property, shall immediately, and, in the case of any Excepted Property described or referred to in clause (g), to the extent that the same is used in connection with, or otherwise relates or is attributable to, the Mortgaged Property, upon demand of the Trustee or such other trustee or receiver, become subject to the lien of this Indenture, junior and subordinate to any Liens at that time existing on such Excepted Property, and the Trustee or such other trustee or receiver may, to the extent not prohibited by law or by the terms of any such other Lien (and subject to the rights of the holders of all such other Liens), at the same time likewise take possession thereof; provided, however, that none of the Excepted Property described or referred to in the foregoing clauses (c), (d) and (g) shall become subject to the lien of this Indenture upon the occurrence of an Event of Default, if such Excepted Property is (x) subject to an existing agreement that prohibits the imposition of further Liens on such Excepted Property or (y) subject to an existing agreement providing for the sale or other disposition of such Excepted Property; provided, further, that whenever all Events of Default shall have been cured and the possession of all or substantially all of the Mortgaged Property shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the lien hereof to the extent set forth above; it being understood that the Company may, however, pursuant to Granting Clause Third, subject any Excepted Property to the lien of this Indenture whereupon the same shall cease to be Excepted Property;

TO HAVE AND TO HOLD all such property, real, personal and mixed, unto the Trustee, its successors in trust and their assigns forever (and this Indenture is both a real property mortgage and a “security agreement” within the meaning of Article 9 of the Uniform Commercial Code as in effect from time to time in the State of California or the State of New York, as applicable);

SUBJECT, HOWEVER, to Permitted Liens; and

IN TRUST, NEVERTHELESS, for the equal and ratable benefit and security of the Holders from time to time of all Outstanding Bonds without any priority of any such Bond over any other such Bond;

PROVIDED, HOWEVER, that the right, title and interest of the Trustee in and to the Mortgaged Property shall cease, terminate and become void in accordance with, and subject to the conditions set forth in, Article VIII or Article IX hereof, and if, thereafter, the principal of and premium, if any, and interest, if any, on the Bonds shall have been paid to the Holders thereof, or shall have been paid to the Company pursuant to Section 7.03 hereof or to the appropriate Governmental Authority pursuant to applicable law after the Maturity thereof, then and in that case this Indenture shall terminate, and the Trustee shall execute and deliver to the Company such instruments as the Company shall require to evidence such termination; otherwise this Indenture, and the estate and rights hereby granted, shall be and remain in full force and effect;

IT IS HEREBY COVENANTED AND AGREED by and between the Company and the Trustee that all the Bonds are to be authenticated and delivered, and that the Mortgaged Property is to be held, subject to the further covenants, conditions and trusts hereinafter set forth, and the Company hereby covenants and agrees to and with the Trustee, for the equal and ratable benefit of all Holders of the Bonds, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01. GENERAL DEFINITIONS.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;
- (b) reference to any gender shall include all other genders;
- (c) all terms used herein without definition which are defined in the Trust Indenture Act as in effect on the date hereof, either directly or by reference therein, have the meanings assigned to them therein;
- (d) all terms used herein without definition which are defined in the California Commercial Code as in effect on the date hereof shall have the meanings assigned to them therein;
- (e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States; and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall

mean such accounting principles as are generally accepted in the United States at the date of such computation or, at the election of the Company from time to time, at the Execution Date; provided, however, that in determining generally accepted accounting principles applicable to the Company, effect shall be given, to the extent required, to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company;

(f) any reference to an “Article”, a “Section” or any other subdivision refers to an Article, a Section or other subdivision, as the case may be, of this Indenture; and

(g) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“**Accountant**” means a Person engaged in the accounting profession or otherwise qualified to pass on accounting matters (including, but not limited to, a Person certified or licensed as a public accountant, whether or not then engaged in the public accounting profession), which Person, unless required under the terms hereof to be Independent, may be an employee, an Affiliate or an employee of an Affiliate of the Company.

“**Acquired Facility**” means any property which, within six (6) months prior to the date of its acquisition by the Company, has been used or operated by a Person or Persons other than the Company in a business similar to that in which such property has been or is to be used or operated by the Company.

“**Act**”, when used with respect to any Holder of a Bond, has the meaning specified in Section 1.06.

“**Adjusted Funded Property Basis**” means, with respect to any Funded Property (including any Property Additions which have become Funded Property under the terms of this Indenture), the Funded Property Basis of such Funded Property after making deductions therefrom and additions thereto as contemplated by Section 1.03(b).

“**Adjusted Property Additions Basis**” means, with respect to any Property Additions which constitute Unfunded Property, the Property Additions Basis of such Property Additions after making deductions therefrom and additions thereto as contemplated by Section 1.03(b).

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any specified Person means the power to direct generally the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Attributable Debt**” in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with generally accepted accounting principles.

“Authenticating Agent” means any Person or Persons (other than the Company or an Affiliate of the Company) authorized by the Trustee to act on behalf of the Trustee to authenticate the Bonds of one or more series.

“Authorized Officer” means the Chairman of the Board, the President, the Chief Executive Officer, any Vice President or Assistant Vice President, the Chief Financial Officer, the Treasurer or Assistant Treasurer or any other person duly authorized by the Board of Directors to act as an Authorized Officer.

“Authorized Publication” means a newspaper or financial journal of general circulation, printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays; or, in the alternative, shall mean such form of communication as may have come into general use for the dissemination of information of import similar to that of the information specified to be published by the provisions hereof. In the event that successive weekly publications in an Authorized Publication are required hereunder they may be made (unless otherwise expressly provided herein) on the same or different days of the week and in the same or in different Authorized Publications. In case, by reason of the suspension of publication of any Authorized Publication, or by reason of any other cause, it shall be impractical without unreasonable expense to make publication of any notice in an Authorized Publication as required by this Indenture, then such method of publication or notification as shall be made with the approval of the Trustee shall be deemed the equivalent of the required publication of such notice in an Authorized Publication.

“Authorized Purposes” means the authentication and delivery of Bonds, the release of property and/or the withdrawal of cash under any of the provisions of this Indenture.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 United States Code Section 101 et seq., or any successor statute thereto.

“Board of Directors” means the board of directors of the Company, any committee thereof duly authorized to act in respect of matters relating to this Indenture or any other body fulfilling the function of a board of directors of a corporation authorized to act in respect of matters relating to this Indenture.

“Board Resolution” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company that has been duly adopted by the Board of Directors, that is in full force and effect on the date of such certification and that has been delivered to the Trustee.

“Bond Register” and **“Bond Registrar”** have the respective meanings specified in Section 3.05.

“Bonds” means any securities, including any bonds, notes and other evidences of indebtedness, authenticated and delivered under this Indenture.

“Business Day” means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in (i) any Place of Payment or other location specified in the Bonds or this Indenture or (ii) the location of the Company’s principal place of business or the Corporate Trust Office of the Trustee, are generally authorized or required by law, regulation or executive order to remain closed, except as may be otherwise specified as contemplated by Section 3.01.

“California Commercial Code” means the California Commercial Code as in effect from time to time, unless otherwise specified in this Indenture.

“California Public Utilities Code” means the California Public Utilities Code as in effect from time to time, unless otherwise specified in this Indenture.

“Cash Deposit Amount” has the meaning specified in (i) Section 8.03, when used in Section 8.03, or (ii) Section 8.05, when used in Section 8.05.

“Cash Deposit Credit Items” has the meaning specified in Section 8.03.

“Commission” means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act or, if at any time after the Execution Date such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body, if any, performing such duties at such time.

“Company” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Order” or **“Company Request”** means, respectively, a written order or request, as the case may be, signed in the name of the Company by an Authorized Officer and delivered to the Trustee.

“Corporate Trust Office” means the designated office of the Trustee, at which at any particular time its corporate trust business shall be administered, which office, at the Execution Date, is located at The Bank of New York Mellon Trust Company, N.A., 400 South Hope Street, Suite 500, Los Angeles, CA 90071, Attention: Global Corporate Trust Unit, or such other address as the Trustee may designate from time to time by notice to the Holders and the Company.

“Corporation” means a corporation, partnership, limited liability company, association, company, joint stock company or business trust, and references to “corporate” and other derivations of “corporation” herein shall be deemed to include appropriate derivations of such entities.

“Cost” has the meaning specified in Section 1.03.

“CPI Index” means the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, U.S. City Average, “All Items” (1982-84 = 100), or any successor index thereof as such successor index may be appropriately adjusted to

establish substantial equivalence with the Consumer Price Index; provided that if the Consumer Price Index ceases to be published and there is no successor thereto, such other index as the Company shall designate in writing to the Trustee shall be substituted for the Consumer Price Index.

“**Debt**” means any debt of the Company for money borrowed and guarantees by the Company of debt for money borrowed but in each case excluding liabilities in respect of Lease Obligations or Swap Agreements.

“**Deductible Limit**” means, with respect to any fire insurance policy required to be maintained by the Company under Section 7.07, an amount equal to the greatest of (i) Twenty-Five Million Dollars (\$25,000,000) with respect to any such policy expiring in calendar year 2020; provided that, with respect to any policy expiring in any subsequent calendar year, such amount shall be increased by the same percentage increase in the CPI Index for the period commencing on January 1, 2020 and ending on the commencement date of such policy, and (ii) three percent (3%) of the principal amount of the Bonds Outstanding on the commencement date of any such policy, and (iii) any other dollar amount which is applicable to fire insurance (x) on property of similar character maintained by companies similarly situated and operating like property or (y) on property as to which an equal primary fire insurance rate has been set by responsible insurance companies.

“**Default**” means any event that with the passage of time or the giving of notice or both would be an Event of Default.

“**Defaulted Interest**” has the meaning specified in Section 3.07.

“**De Minimis Amount**” means, as of the calculation date, an amount which is less than the greater of (i) Twenty-Five Thousand Dollars (\$25,000) or (ii) one percent (1%) of the aggregate principal amount of the Bonds Outstanding at the time of calculation.

“**Depository**” means, with respect to the Bonds of any series, or Tranche thereof, issuable or issued in whole or in part in the form of one or more Global Bonds, the Person designated as Depository by the Company pursuant to Sections 3.01(q) and 3.14 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and, thereafter, “Depository” shall mean or include each Person who is then a Depository hereunder, and if at any time there is more than one such Person, “Depository” as used with respect to Bonds of any such series shall mean the Depository with respect to the Bonds of that series or Tranche.

“**Deposited Cash**” has the meaning specified in Section 5.04.

“**Diablo Canyon Lease**” means that certain lease dated September 17, 1966, between Eureka Energy Company, as lessor, and the Company, as lessee, which lease was originally entered into between Luigi Marre Land and Cattle Company, a California corporation, as lessor, and San Luis Obispo Bay Properties, Inc., a California corporation, as lessee, a memorandum of which Lease was recorded September 21, 1966 in Volume 1410, Page 556, Official Records, San Luis Obispo County, California, and any supplements, assignments, modifications and amendments thereto.

“Diablo Canyon Property” means, collectively, (i) those leasehold property interests described in the Diablo Canyon Lease, and (ii) those properties described on Exhibit B-6 hereto.

“Discount Bond” means any Bond which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 10.02. **“Interest”** with respect to a Discount Bond means interest, if any, borne by such Bond at a Stated Interest Rate.

“Dollar” or **“\$”** means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

“Effective Date” has the meaning set forth in the Plan.

“Eligible Obligations” means:

(a) with respect to Bonds denominated in Dollars, Government Obligations; or

(b) with respect to Bonds denominated in a currency other than Dollars or in a composite currency, such other obligations or instruments as shall be specified with respect to such Bonds as contemplated by Section 3.01.

“Environmental Remediation Sites” means those properties described on Exhibit B-1 hereto.

“Event of Default” has the meaning specified in Section 10.01.

“Excepted Property” has the meaning specified in the Granting Clauses of this Indenture.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Execution Date” means June 19, 2020.

“Expert” means a Person which is an engineer, appraiser, Accountant or other expert and which, with respect to any certificate to be signed by such Person and delivered to the Trustee, is qualified to pass upon the matters set forth in such certificate. For purposes of this definition, (a) “engineer” means a Person engaged in the engineering profession or otherwise qualified to pass upon engineering matters (including, but not limited to, a Person licensed as a professional engineer, whether or not then engaged in the engineering profession) and (b) “appraiser” means a Person engaged in the business of appraising property or otherwise qualified to pass upon the Fair Value or fair market value of property.

“Expert’s Certificate” means a certificate signed by an Authorized Officer and by one or more Experts (which Expert(s) (a) shall be selected either by the Board of Directors or by an Authorized Officer, the execution of such certificate by such Authorized Officer to be conclusive evidence of such selection, and (b) except as otherwise required under the terms hereof to be Independent, may be an employee, an Affiliate or an employee of an Affiliate of the Company

duly authorized either by the Board of Directors or by an Authorized Officer) and delivered to the Trustee. The amount stated in any Expert's Certificate as to the Cost, Fair Value or fair market value of property shall be conclusive and binding upon the Company, the Trustee and the Holders.

"Fair Value", with respect to property, means the fair value of such property as may be determined by reference to (a) the amount which would be likely to be obtained in an arm's-length transaction with respect to such property between an informed and willing buyer and an informed and willing seller, under no compulsion, respectively, to buy or sell, (b) the amount of investment with respect to such property which, together with a reasonable return thereon, would be likely to be recovered through ordinary business operations or otherwise, (c) Cost, accumulated depreciation, and replacement or reproduction cost with respect to such property and/or (d) any other relevant factors; provided, however, that (x) the Fair Value of property shall be determined without deduction for any Senior Liens on such property, and (y) the Fair Value to the Company of Property Additions shall not reflect any reduction relating to the fact that such Property Additions may be of less value to a Person which is not the owner or operator of the Mortgaged Property or any portion thereof than to a Person which is such owner or operator. Fair Value of any property may be determined, without physical inspection, by the use of accounting and engineering records and other data maintained by the Company (including on the basis of the Cost of such property) or otherwise available to the Expert certifying the same.

"Funded Cash" has the meaning specified in Section 1.02.

"Funded Property" has the meaning specified in Section 1.02.

"Funded Property Basis" means, with respect to any Funded Property (including any Property Additions which have become Funded Property under the terms of this Indenture), the Net Cost of such property or, if the Net Fair Value to the Company of such property at the time the same became Funded Property was certified to be an amount less than the Net Cost thereof, such Net Fair Value, as so certified, in lieu of Net Cost.

"Funded Property Retired" means, with respect to any Funded Property, (a) any such property that has been abandoned, destroyed, sold, lost through casualty or taken through the enforcement of the power of eminent domain or similar right or otherwise disposed of or released from the lien of this Indenture and (b) Miscellaneous Personalty. Such property shall thereupon cease to be Funded Property under this Indenture but, as herein provided, may at any time thereafter again become Funded Property. Notwithstanding the foregoing or anything to the contrary contained herein, neither any reduction in the Cost or book value of property recorded in the plant or other property account of the Company (other than with respect to Miscellaneous Personalty), nor the transfer of any amount appearing in such account to intangible and/or adjustment accounts, otherwise than in connection with actual retirements of physical property that has been disposed of as provided above and otherwise than in connection with the removal of such property in its entirety from the plant or property account, shall be deemed to constitute Funded Property Retired.

"General Office Property" means those properties described on Exhibit B-2 hereto.

“Global Bond” means a Bond representing all or part of a series of Bonds, or Tranche thereof, issued to the Depositary for such series or Tranche in accordance with Section 3.14, and bearing the legend prescribed in Section 3.14.

“Governmental Authority” means the government of the United States or of any state or territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing.

“Government Obligations” means securities which are (a) (i) direct obligations of the United States where the payment or payments thereunder are supported by the full faith and credit of the United States or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States where the timely payment or payments thereunder are unconditionally guaranteed as a full faith and credit obligation by the United States or (b) depository receipts issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of or other amount with respect to any such Government Obligation held by such custodian for the account of the holder of a depository receipt; provided, that, (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of or other amount with respect to the Government Obligation evidenced by such depository receipt.

“Holder” means a Person in whose name a Bond is registered in the Bond Register.

“Hydro Property” means those properties described in Exhibit B-3 hereto.

“Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Indenture and any such supplemental indenture, respectively. The term “Indenture” shall also include the provisions or terms of particular series of Bonds established in any Officer’s Certificate, Board Resolution or Company Order delivered pursuant to Sections 2.01, 3.01 and 14.07.

“Independent”, when applied to any Accountant, Expert or other specified Person, means such a Person who (a) does not have any direct or indirect material financial interest in the Company or in any other obligor upon the Bonds or in any Affiliate of the Company or of such other obligor, (b) is not connected with the Company, an Affiliate of the Company or such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or any person performing similar functions and (c) is appointed or selected by the Company and reasonably acceptable to the Trustee.

“Independent Expert’s Certificate” means a certificate signed by an Independent Expert and delivered to the Trustee.

“Interest Payment Date”, when used with respect to any Bond, means the Stated Maturity of an installment of interest on such Bond.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, or any successor federal statute.

“Investment Securities” means any of the following obligations or investment property on which neither the Company, any other obligor on the Bonds nor any Affiliate of either is the obligor: (a) Government Obligations; (b) interest bearing deposit accounts (which may be represented by certificates of deposit) in any national or state bank (which may include the Trustee or any Paying Agent) or savings association which has outstanding securities rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short-term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long-term securities; (c) bankers’ acceptances drawn on and accepted by any commercial bank (which may include the Trustee or any Paying Agent) which has outstanding securities rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short-term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long-term securities; (d) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, any state or territory of the United States or the District of Columbia, or any political subdivision of any of the foregoing, which are rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short-term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long-term securities; (e) bonds or other obligations of any agency or instrumentality of the United States; (f) corporate debt securities which are rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short-term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long-term securities; (g) repurchase agreements with respect to any of the foregoing obligations or securities with any banking or financial institution (which may include the Trustee or any Paying Agent) which has outstanding securities rated by a nationally recognized rating organization in either of the two (2) highest rating categories (without regard to modifiers) for short-term securities or in any of the three (3) highest rating categories (without regard to modifiers) for long-term securities; (h) securities issued by any regulated investment company (including any investment company for which the Trustee or any Paying Agent is the advisor), as defined in Section 851 of the Internal Revenue Code or any such successor section of the Internal Revenue Code, provided that the portfolio of such investment company is limited to obligations or securities of the character and investment quality contemplated in clauses (a) through (f) above and repurchase agreements which are fully collateralized by any of such obligations or securities; and (i) any other obligations or securities which may lawfully be purchased by the Trustee in its capacity as such.

“LCC Conservations Easements” has the meaning specified in clause (g) of the definition of “Permitted Liens.”

“LCC Settlement and Stipulation” means Settlement Agreement of the Company as modified and approved by the Public Utilities Commission of the State of California in its Opinion and Order of December 18, 2003 and the Stipulation Resolving Issues Regarding the Land Conservation Commitment, dated September 25, 2003, as filed with the Public Utilities Commission of the State of California.

“Lease Obligation” means, at the time any determination is to be made, the amount of the liability in respect of a lease that would at that time be required to be capitalized on a balance sheet in accordance with generally accepted accounting principles.

“Lien” means any mortgage, deed of trust, pledge, security interest, encumbrance, easement, lease, reservation, restriction, servitude, charge or similar right and any other lien of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and any defect, irregularity, exception or limitation in record title or, when the context so requires, any lien, claim or interest arising from any of the foregoing.

“Lien Effective Date” has the meaning specified in Section 4.01.

“Make-Up Amount” has the meaning specified in (i) Section 7.07(c)(ii)(C), when used in Section 7.07(c), or (ii) Section 8.04(c)(vii), when used in Section 8.04.

“Maturity”, when used with respect to any Bond, means the date on which the principal of such Bond or an installment of principal or any sinking fund payment becomes due and payable as provided in such Bond or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

“Minor Loss” means a particular loss by reason of fire damage with respect to any Mortgaged Property in an amount which is less than the greater of (i) as to any loss occurring in calendar year 2020, Fifty Million Dollars (\$50,000,000); provided, that with respect to any loss occurring in any subsequent calendar year, such amount shall be increased by the same percentage increase in the CPI Index for the period commencing on January 1, 2020 and ending on January 1 of the calendar year in which such loss occurs, and (ii) three percent (3%) of the principal amount of Bonds Outstanding on the date of such particular loss.

“Miscellaneous Personalty” means all of those personal property assets that, pursuant to the Company’s then current accounting methods, are retired or removed from the Company’s plant or other property account (in the absence of actual physical abandonment, destruction, loss, sale or other disposition of such personal property assets) on the basis of the “vintage” or age of such personal property assets regardless of whether or not, subsequent to such retirement or removal, such personal property assets actually remain in use by the Company (referred to herein as “vintage retirement”). The types of personal property assets constituting “Miscellaneous Personalty” may change from time to time and will be determined solely by whether or not, under the Company’s then current accounting methods, such personal property assets are subject to vintage retirement as described above.

“Mitigation Property” means those properties described in Exhibit B-4 hereto.

“Mortgaged Property” means the property described in Granting Clause First through Granting Clause Sixth of this Indenture, other than Excepted Property.

“**Net Cost**” means, with respect to Funded Property and Unfunded Property, as of the date of calculation thereof, the Cost of such property, less, if such property is subject to a Senior Lien, the lesser of (i) the outstanding principal amount of any Senior Lien Obligations as of the date of calculation of such Cost or (ii) the Cost of such property.

“**Net Fair Value**” means, with respect to Funded Property and Unfunded Property, as of the date of calculation thereof, the Fair Value of such property, less, if such property is subject to a Senior Lien, the lesser of (i) the outstanding principal amount of any Senior Lien Obligations as of the date of calculation of such Fair Value or (ii) the Fair Value of such property.

“**Notice of Default**” has the meaning specified in Section 10.01(c).

“**Officer’s Certificate**” means a certificate signed by an Authorized Officer and delivered to the Trustee.

“**Opinion of Counsel**” means a written opinion of counsel, who may be counsel for the Company or other counsel acceptable to the Trustee and who may be an employee, an Affiliate or an employee of an Affiliate of the Company.

“**Outstanding**”, when used with respect to Bonds, means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except:

a) Bonds theretofore canceled or delivered to the Bond Registrar or the Trustee for cancellation;

b) Bonds deemed to have been paid for all purposes of this Indenture in accordance with Section 9.01 (whether or not the Company’s indebtedness in respect thereof shall be satisfied and discharged for any other purpose); and

c) Bonds, the principal of, premium, if any, and interest, if any, on which have been fully paid pursuant to the third paragraph of Section 3.06 or in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture, other than any such Bonds in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Bonds are held by a protected purchaser;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Bonds Outstanding under this Indenture, or the Outstanding Bonds of any series or Tranche, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Bonds,

(x) Bonds owned by the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor (unless the Company, such obligor and/or such Affiliate owns all Bonds Outstanding under this Indenture, or all Outstanding Bonds of each such series and each such Tranche, as the case may be, determined without regard to this clause (x)) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand,

authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Bonds which the Trustee actually knows to be so owned shall be so disregarded; provided, however, that Bonds so owned which have been pledged in good faith may be regarded as Outstanding if it is established to the reasonable satisfaction of the Trustee that the pledgee, and not the Company, any such other obligor or Affiliate of either thereof, has the right so to act with respect to such Bonds and that the pledgee is not the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor; and provided, further, that in no event shall any Bond which shall have been delivered to evidence, enhance or secure, in whole or in part, the Company's obligations in respect of other indebtedness be deemed to be owned by the Company if the principal of such Bond is payable, whether at Stated Maturity or upon mandatory redemption, at the same time as the principal of such other indebtedness is payable, whether at Stated Maturity or upon mandatory redemption or acceleration, but only to the extent of such portion of the principal amount of such Bond as does not exceed the principal amount of such other indebtedness (and any such Bond described in this proviso may also evidence, enhance or secure, and the principal amount may include, the obligations of the Company under Swap Agreements and cash management agreements but the principal amount of any such Bond that shall be deemed to be Outstanding at any time for all purposes of this Indenture shall be the principal amount thereof that corresponds to the principal amount of the other indebtedness); and

(y) the principal amount of a Discount Bond that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 10.02; and

provided, further, that, in the case of any Bond the principal of which is payable from time to time without presentment or surrender, the principal amount of such Bond that shall be deemed to be Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid, unless otherwise specified pursuant to Section 3.01.

"Paying Agent" means any Person, including the Company, authorized by the Company to pay the principal of and premium, if any, or interest, if any, on any Bonds on behalf of the Company.

"Periodic Offering" means an offering of Bonds of a series from time to time any or all of the specific terms of which Bonds, including, without limitation, the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Company or its agents from time to time subsequent to the initial request for the authentication and delivery of such Bonds by the Trustee, all as contemplated in Section 3.01 and Section 5.01(b).

“**Permitted Liens**” means, as of any particular time, any of the following:

(a) to the extent the Company consolidates with, or merges into, another entity, Liens on the assets of such entity in existence on the date of such consolidation or merger and securing debt of such entity, provided that such debt and Liens were not created or incurred in anticipation of such consolidation or merger and do not extend to any other Mortgaged Property of the Company in existence immediately prior to the consolidation or merger;

(b) as to property acquired by the Company after the Execution Date, Liens existing or placed thereon at the time of the acquisition thereof, provided that such Liens do not extend to any other Mortgaged Property;

(c) Liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings;

(d) mechanics’, workmen’s, vendors’, repairmen’s, materialmen’s, warehousemen’s and carriers’ Liens, inchoate Liens, other Liens incident to construction, Liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other Liens, including, without limitation, Liens for workers’ compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings;

(e) Liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings (i) in an amount not exceeding the greater of (A) Ten Million Dollars (\$10,000,000) to the extent in existence in calendar year 2020; provided, that, with respect to any such Liens in existence in any subsequent calendar year, such amount shall be increased by the percentage increase in the CPI Index for the period commencing on January 1, 2020, and ending on January 1 of the applicable calendar year and (B) three percent (3%) of the principal amount of the Bonds then Outstanding or (ii) with respect to which the Company shall (A) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (B) have the right to prosecute an appeal or other proceeding for review;

(f) easements, encumbrances, leases, reservations, restrictions or other rights of others in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the Mortgaged Property or any part thereof; provided, however, that such easements, encumbrances, leases, reservations, rights, laws, regulations, restrictions, defects, irregularities, exceptions and limitations (A) do not, in the opinion of the Company, materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company or (B) have been insured over by a lender’s policy of title insurance in favor of the Trustee, as mortgagee;

(g) conservation easements granted by the Company in accordance with the LCC Settlement and Stipulation (the “**LCC Conservation Easements**”);

(h) defects, irregularities, exceptions and limitations in title to real property subject to rights-of-way or other similar rights in favor of the Company or used or to be used by the Company primarily for right-of-way purposes or real property held under lease, easement, license or similar right; provided, however, that (i) the Company shall have obtained from the apparent owner or owners of such real property a sufficient right, by the terms of the instrument granting such right-of-way, lease, easement, license or similar right, to the use thereof for the purposes for which the Company acquired the same, (ii) such defects, irregularities, exceptions or limitations are subordinated to the interest of the Company in such real property; (iii) the Company has power under eminent domain or similar statutes to remove such defects, irregularities, exceptions or limitations to the extent such defects, irregularities, exceptions or limitations affect the interest of the Company therein, or (iv) such defects, irregularities, exceptions and limitations may be otherwise remedied without undue effort or expense; and defects, irregularities, exceptions and limitations in title to flood lands, flooding rights and/or water rights;

(i) Liens upon real property or rights in or relating to real property for the purpose of the distribution of electricity or gas, for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication or otherwise for the purpose of obtaining rights-of-way, which Liens secure or evidence indebtedness or other obligations neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest;

(j) leases, license, or occupancy agreements existing at the Execution Date, affecting Mortgaged Properties owned by the Company at said date and renewals and extensions thereof; and leases, license, or occupancy agreements affecting such Mortgaged Properties entered into after the Execution Date or affecting Mortgaged Properties acquired by the Company after such date which, in either case, (i) have respective terms of not more than ten (10) years (including extensions or renewals at the option of the tenant) or (ii) do not materially impair the use by the Company of such properties for the respective purposes for which they are held by the Company;

(k) Liens vested in lessors, licensors, franchisors or permitors for rent or other amounts to become due or for other obligations or acts to be performed, the payment of which rent or other amounts or the performance of which other obligations or acts is required under leases, subleases, licenses, franchises or permits, so long as the payment of such rent or other amounts or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(l) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or orders of Governmental Authorities upon the Mortgaged Property or any part thereof or the operation or use thereof or upon the Company with respect to the Mortgaged Property or any part thereof or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(m) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, recapture or designate a purchaser of or order the sale of the Mortgaged Property or any part thereof, to terminate franchises, grants, licenses, permits, contracts or other rights or to regulate the property and business of the Company; and any and all obligations of the Company correlative to any such rights;

(n) Liens required by law or governmental regulations (i) as a condition to the transaction of any business or the exercise of any privilege or license, (ii) to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks, (iii) in connection with workers' compensation, unemployment insurance, social security, any pension or welfare benefit plan or (iv) to share in the privileges or benefits required for companies participating in one or more of the arrangements described in clauses (ii) and (iii) above;

(o) Liens on the Mortgaged Property or any part thereof which are granted by the Company to secure duties or public or statutory obligations or to secure, or serve in lieu of, surety, stay or appeal bonds;

(p) rights reserved to or vested in others to take or receive any part of any coal, ore, gas, oil and other minerals, any timber and/or any electric capacity or energy, gas, water, steam and any other products, developed, produced, manufactured, generated, purchased or otherwise acquired by the Company or by others on property of the Company;

(q) (i) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and (ii) all Liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such Liens would not adversely affect the interests of the Company in such property in any material respect;

(r) any restrictions on transfer or assignment and/or requirements of any assignee to qualify as a permitted transferee or assignee and/or a public utility or public service corporation;

(s) any Liens (A) which have been bonded over for the full amount in dispute or (B) for the payment of which other adequate security arrangements have been made;

(t) rights and interests granted pursuant to Section 8.02(c);

(u) Prepaid Liens;

(v) Purchase Money Liens on Mortgaged Property, but only to the extent the Company requests the subordination of the lien of this Indenture pursuant to Section 8.11;

(w) Liens contemplated by the Plan;

(x) any Lien incurred in connection with the issuance of Qualified Securitization Bonds;

(y) [RESERVED];

(z) any other Liens which are in existence on the Execution Date and the aggregate principal amount thereof does not exceed Thirty Million Dollars (\$30,000,000);

(aa) any other Liens of whatever nature or kind which then outstanding principal amounts do not, in the aggregate, exceed Sixty Five Million Dollars (\$65,000,000) to the extent in existence in calendar year 2020, provided that with respect to any such Liens in existence in any subsequent calendar year, such amount shall be increased by the percentage increase in the CPI Index for the period commencing on January 1, 2020 and ending on January 1 of the applicable calendar year; and

(bb) the Lien in favor of the Trustee pursuant to Section 11.07.

“**Person**” means any individual, corporation, limited liability partnership, joint venture, trust or unincorporated organization, or any other entity, whether or not a legal entity, or any Governmental Authority.

“**Place of Payment**”, when used with respect to Bonds of any series, or any Tranche thereof, means the place or places, specified as contemplated by Section 3.01, at which the principal of and premium, if any, and interest, if any, on the Bonds of such series or Tranche are payable, subject, in either case, to Section 7.02.

“**Plan**” means the Debtors’ and Shareholder Proponents Joint Plan of Chapter 11 Reorganization Dated December 12, 2019 (as amended on January 31, 2020, March 9, 2020, March 16, 2020, May 22, 2020, in draft form as filed with the United States Bankruptcy Court for the Northern District of California on June 14, 2020) filed by the Company and PG&E Corporation with the United States Bankruptcy Court for the Northern District of California (as may be modified, amended, or supplemented from time to time, and together with all exhibits and schedules thereto).

“**Pledged Securities**” means securities which are made the basis for the authentication and delivery of Bonds under Section 5.02, the release of Funded Property under Section 8.03 or the withdrawal of Funded Cash pursuant to Section 5.04 or Section 8.07.

“**Predecessor Bond**” of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond; and, for the purposes of this definition, any Bond authenticated and delivered under Section 3.06 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Bond shall be deemed (to the extent lawful) to evidence the same debt as the mutilated, destroyed, lost or stolen Bond.

“**Prepaid Lien**” means any Lien securing indebtedness for the payment, prepayment or redemption of which there shall have been irrevocably deposited in trust with the trustee or other holder of such Lien moneys and/or investment property which (together with the interest reasonably expected to be earned from the investment and reinvestment in investment property of the moneys and/or the principal of and interest on the investment property so deposited) shall be sufficient for such purpose; provided, however, that if such indebtedness is to be redeemed or otherwise prepaid prior to the Stated Maturity thereof, any notice requisite to such redemption or prepayment shall have been given in accordance with the instrument creating such Lien or irrevocable instructions to give such notice shall have been given to such trustee or other holder.

“**Property Additions**” has the meaning specified in Section 1.03.

“**Property Additions Basis**” means, with respect to any Property Additions which constitute Unfunded Property, the lesser of the Net Cost or Net Fair Value to the Company of any such Property Additions as of the date such amount is certified to the Trustee in writing.

“**Purchase Money Lien**” means, with respect to any property being acquired or disposed of by the Company or being released from the lien of this Indenture, a Lien on such property which:

- (a) is taken or retained by the transferor of such property to secure all or part of the purchase price thereof;
- (b) is granted to one or more Persons other than the transferor which, by making advances or incurring an obligation, give value to enable the grantor of such Lien to acquire rights in or the use of such property;
- (c) is granted to any other Person in connection with the release of such property from the lien of this Indenture on the basis of the deposit with the Trustee of obligations secured by such Lien on such property (as well as any other property subject thereto);
- (d) is held by a trustee or agent for the benefit of one or more Persons described in clause (a), (b) and/or (c) above, provided that such Lien may be held, in addition, for the benefit of one or more other Persons which shall have theretofore given, or may thereafter give, value to or for the benefit or account of the grantor of such Lien for one or more other purposes; or
- (e) otherwise constitutes a purchase money mortgage or a purchase money security interest under applicable law;

and, without limiting the generality of the foregoing, for purposes of this Indenture, the term Purchase Money Lien shall be deemed to include any Lien described in clauses (a) through (e) above whether or not such Lien (x) shall permit the issuance or other incurrence of additional indebtedness secured by such Lien on such property, (y) shall permit the subjection to such Lien of additional property and the issuance or other incurrence of additional indebtedness on the basis thereof and/or (z) shall have been granted prior to the acquisition, disposition or release of such property, shall attach to or otherwise cover property other than the property being acquired, disposed of or released and/or shall secure obligations issued prior and/or subsequent to the issuance of the obligations delivered in connection with such acquisition, disposition or release, in each case so that the secured party may be cross-collateralized to other financings of the type described in clauses (a) through (e) above provided by such secured party or its affiliates.

“**Purchase Money Obligations**” are those obligations secured by a Purchase Money Lien.

“**Qualified Securitization Bond Issuer**” means, with respect to the Company, (i) the Company or (ii) a Subsidiary of the Company formed and operating solely for the purpose of (A) purchasing and owning property created under a “financing order” (as such term is defined in the

California Public Utilities Code) or similar order issued by the California Public Utilities Commission, (B) issuing such securities pursuant to such order, (C) pledging its interests in such property to secure such securities and (D) engaging in activities ancillary to those described in (A), (B) and (C).

“Qualified Securitization Bonds” of the Company means securities, however denominated, that are (i) issued by a Qualified Securitization Bond Issuer, (ii) secured by or otherwise payable from charges authorized by the financing order referred to in clause (ii)(A) of the definition of “Qualified Securitization Bond Issuer,” and (iii) non-recourse to the Company or any of its Subsidiaries (other than the issuer of such securities).

“Redemption Date”, when used with respect to any Bond to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price”, when used with respect to any Bond to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture which price shall include principal of and premium, if any, payable on such Bond but shall not include any accrued interest payable with respect to such Bond.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Bonds of any series means the date specified for that purpose as contemplated by Section 3.01.

“Required Currency” has the meaning specified in Section 3.11.

“Responsible Officer”, when used with respect to the Trustee, means any officer of the Trustee with direct responsibility for the administration of this Indenture and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of such officer’s knowledge of and familiarity with the particular subject.

“Retired Bonds” means any Bonds authenticated and delivered under this Indenture which (i) no longer remain Outstanding by reason of the applicability of clause (a) or (b) in the definition of “Outstanding” (other than any Predecessor Bond of any Bond), (ii) have not been made the basis under any of the provisions of this Indenture of one or more Authorized Purposes and (iii) have not been paid, redeemed, purchased or otherwise retired by the application thereto of Funded Cash.

“Senior Lien” means, with respect to all or any portion of the Mortgaged Property, a Permitted Lien which is prior to the lien of this Indenture.

“Senior Lienholder” means any trustee or other holder of a Senior Lien.

“Senior Lien Obligations” means any Purchase Money Obligation secured by a Purchase Money Lien that is a Senior Lien and any other indebtedness of the Company for borrowed money secured by a Senior Lien.

“Special Record Date” for the payment of any Defaulted Interest on the Bonds of any series means a date fixed by the Trustee pursuant to Section 3.07.

“Stated Interest Rate” means a rate (whether fixed or variable) at which an obligation by its terms is stated to bear simple interest. Any calculation or other determination to be made under this Indenture by reference to the Stated Interest Rate on an obligation shall be made (a) if the Company’s obligations in respect of any other indebtedness shall be evidenced, enhanced or secured in whole or in part by such obligation, by reference to the lower of the Stated Interest Rate on such obligation and the Stated Interest Rate on such other indebtedness and (b) without regard to the effective interest cost to the Company of such obligation or of any such other indebtedness.

“Stated Maturity”, when used with respect to any obligation (including any Bond of any series) or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

“Subsidiary” means (i) any corporation at least a majority of the outstanding voting stock or interest of which is owned, directly or indirectly, by the Company or by one or more Subsidiaries, or by the Company and one or more Subsidiaries or (ii) any other Person (other than a corporation) of which the Company and/or one or more Subsidiaries has at least a majority ownership and power to direct the policies, management and affairs; provided, however, that Qualified Securitization Bonds Issuers and Subsidiaries of Qualified Securitization Bond Issuers shall not be deemed to be Subsidiaries of the Company. For the purposes of this definition, “voting stock” means stock having voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

“Successor Corporation” has the meaning specified in Section 13.01.

“Supplemental Indenture” or **“Indenture Supplemental Hereto”** means an instrument supplementing or amending this Indenture executed and delivered pursuant to Article XIV.

“Surplus Property” means those properties described in Exhibit B-5 hereto.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“Tranche” means a group of Bonds which (a) are of the same series and (b) have identical terms except as to principal amount, date of issuance, initial Interest Payment Date and/or initial interest accrual date.

“Trust Indenture Act” means, as of any time, the Trust Indenture Act of 1939 or any successor statute, as in effect at such time.

“Trustee” means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean the Person which shall have become a

successor trustee pursuant to the applicable provisions of this Indenture, and, if at any time there is more than one Person acting as trustee hereunder, "Trustee" shall mean each such Person so acting.

"**Unfunded Property**" means that portion of the Mortgaged Property which does not constitute Funded Property or Funded Cash.

"**United States**" means the United States of America, its territories, its possessions and other areas subject to its political jurisdiction.

SECTION 1.02. FUNDED PROPERTY; FUNDED CASH.

"**Funded Property**" means that portion of the Mortgaged Property which consists of:

- (a) all Property Additions to the extent that the same shall have been made the basis of the authentication and delivery of Bonds under this Indenture pursuant to Section 5.02;
- (b) all Property Additions to the extent that the same shall have been made the basis of the release of Funded Property from the lien of this Indenture pursuant to Section 8.03;
- (c) all Property Additions to the extent that the same shall have been substituted for Funded Property Retired pursuant to Section 7.07 or 8.02;
- (d) all Property Additions to the extent that the same shall have been made the basis of the withdrawal of cash held by the Trustee pursuant to Section 5.04, 7.07(b) or 8.07; and
- (e) all Property Additions to the extent that the same shall have been used as the basis of a credit against, or otherwise in satisfaction of, the requirements of any sinking, improvement, maintenance, replacement or similar fund or analogous provision established with respect to the Bonds of any series, or any Tranche thereof, as contemplated by Section 3.01; provided, however, that any such Property Additions shall cease to be Funded Property when all of the Bonds of such series or Tranche shall cease to be Outstanding.

In the event that in any certificate filed with the Trustee in connection with any of the Property Additions referred to in clauses (a), (b), (c), (d) and (e) of this Section, only a part of the Property Additions Basis of the Property Additions described in such certificate shall be required for the purposes of such certificate, then such Property Additions shall be deemed to be Funded Property only to the extent so required for the purpose of such certificate.

The Company may make allocations, on a pro-rata or other reasonable basis (including, but not limited to, the designation of specific properties or the designation of all or a specified portion of the properties reflected in one or more generic accounts or subaccounts in the Company's books of account), for the purpose of determining the extent to which fungible properties, or other properties not otherwise identified, reflected in the same generic account or subaccount in the Company's books of account (collectively, "generic properties") constitute Funded Property or Funded Property Retired. To the extent that such generic properties within any such generic account or subaccount constitute in part Funded Property and in part Unfunded Property, (i) any disposition of such generic properties shall, unless otherwise specified by the

Company, be deemed to be a disposition of that portion of the generic properties which constitutes Unfunded Property prior to any disposition of such portion which constitutes Funded Property and (ii) any addition of property to such generic account or subaccount shall, unless otherwise specified by the Company, be deemed to be Unfunded Property.

“**Funded Cash**” means that portion of the Mortgaged Property which consists of:

(a) cash, held by the Trustee hereunder, to the extent that it represents the proceeds of insurance on account of a loss on or with respect to Funded Property (except as otherwise provided in Section 7.07), or cash deposited in connection with the release of Funded Property pursuant to Article VIII, or the payment of the principal of, or the proceeds of the release of, Purchase Money Obligations delivered to the Trustee pursuant to Article VIII, all subject, however, to the provisions of Section 7.07 and Section 8.07; and

(b) any Deposited Cash.

SECTION 1.03. PROPERTY ADDITIONS; COST.

(a) “**Property Additions**” means, as of any particular time, any item, unit or element of property which (i) at such time is owned by the Company, and (ii) constitutes Mortgaged Property; provided, however, that Property Additions shall not include:

(i) goodwill, going concern value rights or intangible property except as provided in subsection (c) of this Section; or

(ii) any property the cost of acquisition or construction of which is, in accordance with generally accepted accounting principles, properly chargeable to an operating expense account of the Company at the time of such acquisition or construction.

(b) When any Property Additions which constitute Unfunded Property are certified to the Trustee as the basis of any Authorized Purpose (except as otherwise provided in Section 8.03 and Section 8.07),

(i) there shall be deducted from the Property Additions Basis thereof an amount equal to the Funded Property Basis of all Funded Property Retired to the date of such certification (other than the Funded Property, if any, in connection with the application for the release of which such certificate is filed) and not theretofore deducted from the Property Additions Basis of Property Additions theretofore certified to the Trustee, and

(ii) there may, at the option of the Company, be added to such Property Additions Basis, the sum of

(A) the principal amount of any Purchase Money Obligations, not theretofore so added and which the Company then elects so to add, which shall theretofore have been delivered to the Trustee as the basis of the release of Funded Property Retired from the lien of this Indenture;

(B) ten-sevenths (10/7ths) of the amount of any cash, not theretofore so added and which the Company then elects so to add, which shall theretofore have been delivered to the Trustee as the proceeds of insurance on Funded Property Retired (to the extent of the portion thereof deemed to be Funded Cash) or as the basis of the release of Funded Property Retired from the lien of this Indenture;

(C) ten-sevenths (10/7ths) of the principal amount of any Bond or Bonds, or portion of such principal amount, not theretofore so added and which the Company then elects so to add, (I) which shall theretofore have been delivered to the Trustee as the basis of the release of Funded Property Retired or (II) the right to the authentication and delivery of which under the provisions of Section 5.03 shall at any time theretofore have been waived under Section 8.03(d)(ii)(C) as the basis of the release of Funded Property Retired;

(D) the Adjusted Funded Property Basis of any Property Additions, not theretofore so added and which the Company then elects so to add, which shall theretofore have been made the basis of the release of Funded Property Retired pursuant to Section 8.03; and

(E) the Net Cost to the Company of any Property Additions, not theretofore so added and which the Company then elects so to add, to the extent that the same shall have been substituted for Funded Property Retired;

provided, however, that the aggregate of the amounts added under clause (ii) above shall in no event exceed the amounts deducted under clause (i) above.

(c) Except as otherwise provided in Section 8.03, the term "Cost" with respect to Property Additions shall mean the sum of (i) any cash delivered in payment therefor or for the acquisition thereof, (ii) an amount equivalent to the fair market value in cash (as of the date of delivery) of any securities or other property delivered in payment therefor or for the acquisition thereof, (iii) the principal amount of any obligations secured by a Lien upon such Property Additions outstanding at the time of the acquisition thereof, (iv) the principal amount of any other obligations incurred or assumed in connection with the payment for such Property Additions or for the acquisition thereof, which obligations are not otherwise secured by a Lien on such Property Additions, and (v) any other amounts which, in accordance with generally accepted accounting principles, are properly charged or chargeable to the plant or other property accounts of the Company with respect to such Property Additions as part of the cost of construction or acquisition thereof, including, but not limited to, any allowance for funds used during construction or any similar or analogous amount, and construction work in progress; provided, however, that, notwithstanding any other provision of this Indenture,

(A) with respect to Property Additions owned by a Successor Corporation immediately prior to the time it shall have become such by consolidation or merger or acquired by a Successor Corporation in or as a result of a consolidation or merger (excluding, in any case, Property Additions owned by the Company immediately prior to such time), Cost shall mean the amount or

amounts at which such Property Additions are recorded in the plant or other property accounts of such Successor Corporation, or the predecessor entity from which such Property Additions are acquired, as the case may be, immediately prior to such consolidation or merger;

(B) with respect to Property Additions which shall have been acquired (otherwise than by construction) by the Company without any consideration consisting of cash, securities or other property or the incurring or assumption of indebtedness, no determination of Cost shall be required, and, wherever in this Indenture provision is made for Cost or Fair Value, Cost with respect to such Property Additions shall mean an amount equal to the Fair Value to the Company thereof or, if greater, the aggregate amount reflected in the Company's books of account with respect thereto upon the acquisition thereof; and

(C) in no event shall the Cost of Property Additions be required to reflect (i) any depreciation or amortization in respect of such Property Additions, (ii) any adjustment to the amount or amounts at which such Property Additions are recorded in plant or other property accounts due to the non-recoverability of investment or otherwise, or (iii) at the election of the Company, reductions for contributions in aid of construction.

If any Property Additions are shown by the Expert's Certificate provided for in Section 5.02(b)(ii) to include Acquired Facilities, the Cost thereof need not be reduced by any amount in respect of any goodwill, going concern value rights and/or intangible property simultaneously acquired for which no separate or distinct consideration shall have been paid or apportioned, and in such case the term Property Additions as defined herein may include such goodwill, going concern value rights and intangible property.

SECTION 1.04. COMPLIANCE CERTIFICATES AND OPINIONS.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, it being understood that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than the certificates provided pursuant to Section 7.10) shall include:

(a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 1.05. CONTENT AND FORM OF DOCUMENTS DELIVERED TO TRUSTEE.

Any Officer's Certificate may be based (without further examination or investigation), insofar as it relates to or is dependent upon legal matters, upon an opinion of, or representations by, counsel, and, insofar as it relates to or is dependent upon matters which are subject to verification by Accountants, upon a certificate or opinion of, or representations by, an Accountant, and, insofar as it relates to or is dependent upon matters which are required in this Indenture to be covered by a certificate or opinion of, or representations by, an Expert, upon the certificate or opinion of, or representations by, an Expert, unless, in any case, such officer has actual knowledge that the certificate or opinion or representations with respect to the matters upon which such Officer's Certificate may be based as aforesaid are erroneous.

Any Expert's Certificate may be based (without further examination or investigation), insofar as it relates to or is dependent upon legal matters, upon an opinion of, or representations by, counsel, and insofar as it relates to or is dependent upon factual matters, information with respect to which is in the possession of the Company and which are not subject to verification by Experts, upon a certificate or opinion of, or representations by, an officer or officers of the Company, unless such Expert has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous.

Any certificate of an Accountant may be based (without further examination or investigation), insofar as it relates to or is dependent upon legal matters, upon an opinion of, or representations by, counsel, and insofar as it relates to or is dependent upon factual matters, information with respect to which is in the possession of the Company and which are not subject to verification by Accountants, upon a certificate of, or representations by, an officer or officers of the Company, unless such Accountant has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous.

Any Opinion of Counsel may be based (without further examination or investigation), insofar as it relates to or is dependent upon factual matters, information with respect to which is in the possession of the Company, upon a certificate of, or representations by, an officer or officers of the Company, and, insofar as it relates to or is dependent upon matters which are subject to verification by Accountants, upon a certificate or opinion of, or representations by, an

Accountant, and, insofar as it relates to or is dependent upon matters required in this Indenture to be covered by a certificate or opinion of, or representations by, an Expert, upon the certificate or opinion of, or representations by, an Expert, unless such counsel has actual knowledge that the certificate or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous. In addition, any Opinion of Counsel may be based (without further examination or investigation), insofar as it relates to or is dependent upon matters covered in an Opinion of Counsel rendered by other counsel, upon such other Opinion of Counsel, unless such counsel has actual knowledge that the Opinion of Counsel rendered by such other counsel with respect to the matters upon which his Opinion of Counsel may be based as aforesaid are erroneous. Further, any Opinion of Counsel with respect to the status of title to or the sufficiency of descriptions of property, and/or the existence, perfection or priority of Liens thereon, and/or the recording or filing of documents, and/or any similar matters, may be based (without further examination or investigation) upon (i) title insurance policies or commitments and reports, abstracts of title or lien search reports or certificates and other similar documents or (ii) certificates of, or representations by, officers, employees, agents and/or other representatives of the Company or (iii) any combination of the documents referred to in (i) and (ii), unless, in any case, such counsel has actual knowledge that the document or documents with respect to the matters upon which his opinion may be based as aforesaid are erroneous. If, in order to render any Opinion of Counsel provided for herein, the signer thereof shall deem it necessary that additional facts or matters be stated in any Officer's Certificate, certificate of an Accountant or Expert's Certificate provided for herein, then such certificate may state all such additional facts or matters as the signer of such Opinion of Counsel may request.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents. Where (i) any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture or (ii) two or more Persons are each required to make, give or execute any such application, request, consent, certificate, statement, opinion or other instrument, any such applications, requests, consents, certificates, statements, opinions or other instruments may, but need not, be consolidated and form one instrument.

Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Expert's Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective document or instrument indicates that action has been taken by or at the request of the Company which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect,

except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Bonds issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefit of the lien of this Indenture equally and ratably with all other Outstanding Bonds, except as aforesaid.

SECTION 1.06. ACTS OF HOLDERS.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, alternatively, may be embodied in and evidenced by the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article XV, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Bond, shall be sufficient for any purpose of this Indenture and (subject to Section 11.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 15.06.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The ownership, principal amount (except as otherwise contemplated in clause (y) of the first proviso to the definition of Outstanding) and serial numbers of Bonds held by any Person, and the date of holding the same, shall be proved by the Bond Register.

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder shall bind every future Holder of the same Bond and the Holder of every Bond issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Bond.

(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Bonds for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Bonds by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Bonds of any series, or any Tranche thereof, authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Bonds of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to such action may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Bonds of such series or Tranche.

(g) The Company may, at its option, by Company Order, fix in advance a record date for the determination of Holders entitled to give any request, demand, authorization, direction, notice, consent, waiver or other Act solicited by the Company, but the Company shall have no obligation to do so. In addition, the Trustee may, at its option, fix in advance a record date for the determination of Holders entitled to join in the giving or making of any Notice of Default, any declaration of acceleration referred to in Section 10.02, any request to institute proceedings referred to in Section 10.11 or any direction referred to in Section 10.16. If any such record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act, or such notice, declaration, request or direction, may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining (i) whether Holders of the requisite proportion of the Outstanding Bonds have authorized or agreed or consented to such Act (and for that purpose the Outstanding Bonds shall be computed as of the record date) and/or (ii) which Holders may revoke any such Act (notwithstanding subsection (e) of this Section); and any such Act, given as aforesaid, shall be effective whether or not the Holders which authorized or agreed or consented to such Act remain Holders after such record date and whether or not the Bonds held by such Holders remain Outstanding after such record date.

SECTION 1.07. NOTICES, ETC. TO TRUSTEE AND COMPANY.

Except as otherwise provided herein, any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made or served upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise expressly provided herein) if the same shall be in writing and delivered personally to the addressee (which delivery, with respect to the Trustee, shall be made to its Corporate Trust Office and addressed to the attention of the Corporate Trust Department), or transmitted by facsimile transmission or other direct written electronic means to such telephone number or other electronic communications address as the parties hereto shall from time to time designate, or transmitted by registered or certified mail, return receipt requested, or overnight courier guaranteeing next day delivery, charges prepaid, to the applicable address set forth opposite such party's name below or to such other address as either party hereto may from time to time designate:

If to the Trustee, to:

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Global Corporate Trust Unit
Fax: (213) 630-6298

If to the Company, to:

Pacific Gas and Electric Company
77 Beale Street
P.O. Box 770000
San Francisco, California 94177
Attention: Treasurer
Fax: (415) 973-4343/267-7265

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission or other direct written electronic means, on the date of transmission, and if transmitted by registered or certified mail or reputable overnight courier, on the date of receipt.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by the Company by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that (a) subsequent to such transmission of written instructions, the Company shall provide the originally executed instructions or directions to the Trustee in a timely manner, and (b) such originally executed instructions or directions shall be signed by an authorized representative of the Company providing such instructions or directions. If the Company elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Notwithstanding any other provision of this Indenture or any Bond, where this Indenture or any Bond provides for notice of any event or any other communication (including any notice of redemption or repurchase) to a holder of a Global Bond (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depositary (or its designee) pursuant to the standing instructions from the Depositary or its designee, including by electronic mail in accordance with accepted practices at the Depositary.

SECTION 1.08. NOTICE TO HOLDERS OF BONDS; WAIVER.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and sent to each Holder affected by such event, at the address of such Holder as it appears in the Bond Register (or, with respect to Global Bonds, in accordance with the Depositary's applicable policies and procedures), not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.09. CONFLICT WITH TRUST INDENTURE ACT.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by any provision of the Trust Indenture Act, the provision required or deemed to be included by the Trust Indenture Act shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, or limits, qualifies or conflicts with the duties imposed by Section 318(c) of the Trust Indenture Act, the Trust Indenture Act, including the duties imposed by Section 318(c) of the Trust Indenture Act, shall control.

SECTION 1.10. EFFECT OF HEADINGS AND TABLE OF CONTENTS.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.11. SUCCESSORS AND ASSIGNS.

All covenants and agreements in this Indenture by the Company and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.12. SEPARABILITY CLAUSE.

In case any provision in this Indenture or the Bonds shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.13. BENEFITS OF INDENTURE.

Nothing in this Indenture or the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 1.14. GOVERNING LAW.

This Indenture and the Bonds shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (including without limitation Section 5-1401 of the New York General Obligations Law or any successor to such statute), except to the extent that the Trust Indenture Act shall be applicable, provided that the law of the jurisdiction in which the Mortgaged Property consisting of real property is located shall govern the creation of a mortgage lien on and security interest in, or perfection, priority or enforcement of the Lien of this Indenture or exercise of remedies with respect to, such portion of the Mortgaged Property.

SECTION 1.15. LEGAL HOLIDAYS.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Bond shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Bonds other than a provision in Bonds of any series, or any Tranche thereof, or in the indenture supplemental hereto, Board Resolution or Officer's Certificate which establishes the terms of the Bonds of such series or Tranche, which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

SECTION 1.16. INVESTMENT OF CASH HELD BY TRUSTEE.

Any cash held by the Trustee or any Paying Agent under any provision of this Indenture shall, except as otherwise provided in Section 8.06 or in Article IX, at the request of the Company evidenced by Company Order, be invested or reinvested in Investment Securities designated by the Company (such Company Order to contain a representation to the effect that the securities designated therein constitute Investment Securities), and any interest on such Investment Securities shall be promptly paid over to the Company as received free and clear of any Lien. Such Investment Securities shall be held subject to the same provisions hereof as the cash used to purchase the same, but upon a like written request of the Company shall be sold, in whole or in designated part, and the proceeds of such sale shall be held subject to the same provisions hereof as the cash used to purchase the Investment Securities so sold. If such sale shall produce a net sum less than the cost of the Investment Securities so sold, the Company shall pay to the Trustee or any such Paying Agent, as the case may be, such amount in cash as, together with the net proceeds from such sale, shall equal the cost of the Investment Securities so sold, and if such sale shall produce a net sum greater than the cost of the Investment Securities so

sold, the Trustee or any such Paying Agent, as the case may be, shall promptly pay over to the Company an amount in cash equal to such excess, free and clear of any Lien. In no event shall the Trustee be liable for determining whether any investment fits within the criteria set forth in "Investment Securities" or for any loss incurred in connection with the sale of any Investment Security pursuant to this Section. In the absence of a Company Order directing the Trustee to invest cash held by the Trustee hereunder, funds shall remain uninvested until the Trustee shall have received a Company Order directing the Trustee to invest such cash in another Investment Security. The Trustee shall not be accountable or liable for any losses resulting from the sale or depreciation in the market value of investments made pursuant to this Indenture and Company Orders.

Notwithstanding the foregoing, if an Event of Default shall have occurred and be continuing, interest on Investment Securities and any gain upon the sale thereof shall be held as part of the Mortgaged Property until such Event of Default shall have been cured or waived, whereupon such interest and gain shall be promptly paid over to the Company free and clear of any Lien.

SECTION 1.17. WAIVER OF JURY TRIAL.

EACH OF THE COMPANY AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE BONDS OF ANY SERIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 1.18. FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA).

The Company agrees (i) to provide the Trustee with such reasonable information as it has in its possession to enable the Trustee to determine whether any payments pursuant to the Indenture are subject to the withholding requirements described in Section 1471(b) of the Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code and any regulations, or agreements thereunder or official interpretations thereof ("**Applicable Law**"), and (ii) that the Trustee shall be entitled to make any withholding or deduction from payments under the Indenture to the extent necessary to comply with Applicable Law, for which the Trustee shall not have any liability.

SECTION 1.19. FORCE MAJEURE.

In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

ARTICLE II

BOND FORMS

SECTION 2.01. FORMS GENERALLY.

The definitive Bonds of each series shall be in substantially the form or forms established in the indenture supplemental hereto establishing such series, or in a Board Resolution establishing such series, or in an Officer's Certificate pursuant to such a supplemental indenture or Board Resolution, in any case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Bonds, as evidenced by their execution of the Bonds. If the form or forms of Bonds of any series are established in a Board Resolution or in an Officer's Certificate pursuant to a supplemental indenture or a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 5.01 for the authentication and delivery of such Bonds.

Unless otherwise specified as contemplated by Section 3.01, the Bonds of each series shall be issuable in registered form without coupons. The definitive Bonds shall be produced in such manner as shall be determined by the officers executing such Bonds, as evidenced by their execution thereof.

SECTION 2.02. FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

This is one of the Bonds of the series designated therein referred to in the within-mentioned Indenture.

The Bank of New York Mellon Trust Company, N.A., as
Trustee

By: _____
Authorized Signatory

ARTICLE III

THE BONDS

SECTION 3.01. AMOUNT UNLIMITED; ISSUABLE IN SERIES.

Subject to the provisions of Article V, the aggregate principal amount of Bonds which may be authenticated and delivered under this Indenture is unlimited.

The Bonds may be issued in one or more series. Subject to the penultimate paragraph of this Section, prior to the authentication and delivery of Bonds of any series there shall be established by specification in a supplemental indenture or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or a Board Resolution:

(a) the title of the Bonds of such series (which shall distinguish the Bonds of such series from Bonds of all other series) and, if other than the date of its authentication, the date of each Bond of such series;

(b) any limit upon the aggregate principal amount of the Bonds of such series which may be authenticated and delivered under this Indenture (except for Bonds authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Bonds of such series pursuant to Section 3.04, 3.05, 3.06, 6.06 or 14.06 and except for any Bonds which, pursuant to Section 3.03, are deemed never to have been authenticated and delivered hereunder);

(c) the Persons (without specific identification) to whom interest on Bonds of such series, or any Tranche thereof, shall be payable on any Interest Payment Date, if other than the Persons in whose names such Bonds (or one or more Predecessor Bonds) are registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the Bonds of such series, or any Tranche thereof, is payable or any formula or other method or other means by which such date or dates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension) and the right, if any, to extend the Maturity of the Bonds of such series, or any Tranche thereof, and the duration of any such extension;

(e) the rate or rates (or method of determination thereof) at which any Bonds of such series, or any Tranche thereof, shall bear interest, if any (including the rate or rates at which overdue principal shall bear interest, if different from the rate or rates at which such Bonds shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formula or other method or other means by which such rate or rates shall be determined, by reference to an index or other fact or event ascertainable outside of this Indenture or otherwise; the date or dates from which any such interest shall accrue (or method of determination thereof); the Interest Payment Dates on which any such interest shall be payable (or method of determination thereof) and the Regular Record Date, if any (which, in either case or both, if so provided in or pursuant to such Board Resolution or supplemental indenture, may be determined by the Company from time to time and set forth in the Bonds of such series, or any Tranche thereof, issued from time to time) for any such interest payable on any Interest Payment Date; the basis of computation of interest if other than as provided in Section 3.10; and the right, if any, to extend the interest payment periods and the duration of any such extension;

(f) the place or places at which and/or the methods (if other than as provided elsewhere in this Indenture) by which (i) the principal of and premium, if any, and interest, if any, on Bonds of such series, or any Tranche thereof, shall be payable, (ii) registration of transfer of Bonds of such series, or any Tranche thereof, may be effected, (iii) exchanges of Bonds of such series, or any Tranche thereof, may be effected and (iv) notices and demands to or upon the Company in respect of the Bonds of

such series, or any Tranche thereof, and this Indenture may be made, given, furnished, filed or served, if other than as provided in Section 1.07; the Bond Registrar and any Paying Agent or Agents for such series or Tranche; and, if such is the case, that the principal of such Bonds shall be payable without the presentment or surrender thereof;

(g) if the time for the giving of redemption notices for such series of Bonds, or any Tranche thereof, shall be other than as provided in Section 6.04, such different time, and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which the Bonds of such series, or any Tranche thereof, may be redeemed, in whole or in part, at the option of the Company (including, without limitation, any provision for the payment of a “make-whole”, yield-maintenance or similar premium in connection with the redemption of Bonds of such series during a “no-call” or other period during which such Bonds are generally not subject to optional redemption by the Company) and any restrictions on such redemptions;

(h) the obligation or obligations, if any, of the Company to redeem, purchase or repay the Bonds of such series, or any Tranche thereof, pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Bonds shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation, and applicable exceptions to the requirements of Section 6.04 in the case of mandatory redemption or redemption or repayment at the option of the Holder;

(i) the denominations in which Bonds of such series, or any Tranche thereof, shall be issuable if other than denominations of One Thousand Dollars (\$1,000) and any integral multiple thereof;

(j) the currency or currencies, including composite currencies, in which payment of the principal of and premium, if any, and interest, if any, on the Bonds of such series, or any Tranche thereof, shall be payable (if other than in Dollars); it being understood that, for purposes of calculations under this Indenture (including calculations of principal amount under Article V), any amounts denominated in a currency other than Dollars or in a composite currency shall be converted to Dollar equivalents by calculating the amount of Dollars which could have been purchased by the amount of such other currency based on such quotations or methods of determination as shall be specified pursuant to this clause (j);

(k) if the principal of or premium, if any, or interest, if any, on the Bonds of such series, or any Tranche thereof, are to be payable, at the election of the Company or a Holder thereof, in a coin or currency other than that in which the Bonds are stated to be payable, the coin or currency in which payment of any amount as to which such election is made will be payable, the period or periods within which, and the terms and conditions upon which, such election may be made; it being understood that, for purposes of calculations under this Indenture (including calculations of principal amount under Article V), any such election shall be required to be taken into account, in the manner contemplated in clause (j) of this paragraph, only after such election shall have been made;

(l) if the principal of or premium, if any, or interest, if any, on the Bonds of such series, or any Tranche thereof, are to be payable, or are to be payable at the election of the Company or a Holder thereof, in securities or other property, the type and amount of such securities or other property, or the formula or other method or other means by which such amount shall be determined, and the period or periods within which, and the terms and conditions upon which, any such election may be made; it being understood that all calculations under this Indenture (including calculations of principal amount under Article V) shall be made on the basis of the fair market value of such securities or the Fair Value of such other property, in either case determined as of the most recent practicable date, except that, in the case of any amount of principal or interest that may be so payable at the election of the Company or a Holder, if such election shall not yet have been made, such calculations shall be made on the basis of the amount of principal or interest, as the case may be, that would be payable if no such election were made;

(m) if the amount payable in respect of principal of or premium, if any, or interest, if any, on the Bonds of such series, or any Tranche thereof, may be determined with reference to an index, formula or other fact or event ascertainable outside of this Indenture, the manner in which such amounts shall be determined (to the extent not established pursuant to clause (e) of this paragraph); it being understood that all calculations under this Indenture (including calculations of principal amount under Article V) shall be made on the basis of the amount that would be payable as principal if such principal were due, or on the basis of the interest rates in effect, as the case may be, on the date next preceding the date of such calculation;

(n) if other than the entire principal amount thereof, the portion of the principal amount of Bonds of such series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 10.02;

(o) the terms, if any, pursuant to which the Bonds of such series, or any Tranche thereof, may be converted into or exchanged for shares of capital stock or other securities of the Company or any other Person;

(p) the obligations or instruments, if any, which shall be considered to be Eligible Obligations in respect of the Bonds of such series, or any Tranche thereof, denominated in a currency other than Dollars or in a composite currency, and any additional or alternative provisions for the reinstatement of the Company's indebtedness in respect of such Bonds after the satisfaction and discharge thereof as provided in Section 9.01;

(q) (i) whether the Bonds of such series, or any Tranche thereof, are to be issued as Global Bonds and if such Bonds are to be issued as Global Bonds, the Depositary for such Global Bonds, (ii) any limitations on the rights of the Holder or Holders of such Bonds to transfer or exchange the same or to obtain the registration of transfer thereof, if other than as provided in Section 3.05, (iii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of temporary form, and (iv) any and all other matters incidental to such Bonds;

(r) to the extent not established pursuant to clause (q) of this paragraph, any limitations on the rights of the Holders of the Bonds of such Series, or any Tranche thereof, to transfer or exchange such Bonds or to obtain the registration of transfer thereof; and if a service charge will be made for the registration of transfer or exchange of Bonds of such series, or any Tranche thereof, the amount or terms thereof;

(s) any exceptions to Section 1.15, or variation in the definition of Business Day, with respect to the Bonds of such series, or any Tranche thereof;

(t) if the principal of Bonds of such series is payable from time to time without presentation or surrender, any method or manner of calculating the principal amount of Bonds of such series that is Outstanding at any time for purposes of this Indenture, if other than as specified in the last proviso of the definition of “**Outstanding**”;

(u) provisions, if any, for the exchange of certificates representing Bonds to reflect the effectiveness of the lien of this Indenture on the Lien Effective Date, and any other changes necessary to reflect the effectiveness of the lien of this Indenture on the Lien Effective Date; and

(v) any other terms of the Bonds of such series, or any Tranche thereof.

With respect to Bonds of a series subject to a Periodic Offering, the indenture supplemental hereto or the Board Resolution which establishes such series, or the Officer’s Certificate pursuant to such supplemental indenture or Board Resolution, as the case may be, may provide general terms or parameters for Bonds of such series and provide either that the specific terms of Bonds of such series, or any Tranche thereof, shall be specified in a Company Order or that such terms shall be determined by the Company or its agents in accordance with procedures specified in a Company Order as contemplated by Section 5.01(b).

Unless otherwise provided with respect to a series of Bonds as contemplated in clause (b) of Section 3.01, the aggregate principal amount of a series of Bonds may be increased and additional Bonds of such series may be issued up to the maximum aggregate principal amount, if any, authorized with respect to such series as increased.

Anything herein to the contrary notwithstanding, the Trustee shall be under no obligation to authenticate and deliver Bonds of any series the terms of which, established as contemplated by this Section, would adversely affect the rights, duties, obligations, liabilities or immunities of the Trustee under this Indenture or otherwise.

SECTION 3.02. DENOMINATIONS.

Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Bonds, or any Tranche thereof, the Bonds of each series shall be issuable in denominations of One Thousand Dollars (\$1,000) and any integral multiple thereof.

SECTION 3.03. EXECUTION, DATING, CERTIFICATE OF AUTHENTICATION.

Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Bonds, or any Tranche thereof, the Bonds shall be executed on behalf of the Company by any two of the following: the President, the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Treasurer or any Assistant Treasurer. The corporate seal of the Company may be affixed thereto or reproduced thereon and attested by the Company's Corporate Secretary or any other officer of the Company as permitted by the Company's bylaws. The signature of any or all of these officers on the Bonds may be manual, electronic or facsimile.

Bonds bearing the manual, electronic or facsimile signatures of individuals who were at the time of execution the President, the Chief Executive Officer, a Vice President, the Chief Financial Officer, the Treasurer or an Assistant Treasurer of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

Unless otherwise specified as contemplated by Section 3.01 with respect to any series of Bonds, or any Tranche thereof, each Bond shall be dated the date of its authentication.

Unless otherwise specified as contemplated by Section 3.01 with respect to any series of Bonds, or any Tranche thereof, no Bond shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Bond a certificate of authentication substantially in the form provided for herein executed by the Trustee or an Authenticating Agent by manual or electronic signature of an authorized officer thereof, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Bond shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold (or pledged) by the Company, and (a) the Company shall deliver such Bond to the Bond Registrar for cancellation or shall cancel such Bond and deliver evidence of such cancellation to the Trustee, in each case as provided in Section 3.09, and (b) the Company, at its election, shall deliver to the Trustee a written statement (which need not comply with Section 1.04 and need not be accompanied by an Officer's Certificate or an Opinion of Counsel) stating that such Bond has never been issued and sold (or pledged) by the Company, then, for all purposes of this Indenture, such Bond shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 3.04. TEMPORARY BONDS.

Pending the preparation of definitive Bonds of any series, or any Tranche thereof, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, mimeographed, photocopied or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Bonds may determine, as evidenced by their execution of such Bonds.

Except as otherwise specified as contemplated by Section 3.01 with respect to the Bonds of any series, or any Tranche thereof, after the preparation of definitive Bonds of such series or Tranche, the temporary Bonds of such series or Tranche shall be exchangeable, without charge to the Holder thereof, for definitive Bonds of such series or Tranche upon surrender of such temporary Bonds at the office or agency of the Company maintained pursuant to Section 7.02 in a Place of Payment for such Bonds. Upon such surrender of temporary Bonds, the Company shall, except as otherwise specified as contemplated by Section 3.01, execute and the Trustee shall authenticate and deliver in exchange therefor definitive Bonds of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Until exchanged in full as hereinabove provided, temporary Bonds shall in all respects be entitled to the same benefits under this Indenture as definitive Bonds of the same series and Tranche and of like tenor authenticated and delivered hereunder.

SECTION 3.05. REGISTRATION, REGISTRATION OF TRANSFER AND EXCHANGE.

The Company shall cause to be kept in one of the offices designated pursuant to Section 7.02, with respect to the Bonds of each series, or any Tranche thereof, a register (the “**Bond Register**”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Bonds of such series or Tranche and the registration of transfer thereof. Pursuant to Section 3.01(f), the Company shall designate one Person to maintain the Bond Register for the Bonds of each series, and such Person is referred to herein, with respect to such series, as the “**Bond Registrar**.” Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices, or one or more offices of any of its Affiliates, as an office in which a Bond Register with respect to the Bonds of one or more series, or any Tranche or Tranches thereof, shall be maintained, and the Company may designate itself or any Affiliate the Bond Registrar with respect to one or more of such series. The Bond Register(s) shall be open for inspection by the Trustee and the Company at all reasonable times. Unless otherwise specified in or pursuant to this Indenture or the Bonds, the Trustee shall be the initial Bond Registrar for each series of Bonds.

Except as otherwise specified as contemplated by Section 3.01 with respect to the Bonds of any series, or any Tranche thereof, and except as provided below with respect to Global Bonds, upon surrender for registration of transfer of any Bond of such series or Tranche at the office or agency of the Company maintained pursuant to Section 7.02 in a Place of Payment for such series or Tranche, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Except as otherwise specified as contemplated by Section 3.01 with respect to the Bonds of any series, or any Tranche thereof, any Bond of such series or Tranche may be exchanged at the option of the Holder, for one or more new Bonds of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder making the exchange is entitled to receive.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Company, evidencing the same obligation, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon such registration of transfer or exchange. Every Bond presented or surrendered for registration of transfer shall be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder thereof or his attorney duly authorized in writing. Every Bond presented or surrendered for exchange shall (if so required by the Company, the Trustee or the Bond Registrar) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 3.01 with respect to Bonds of any series, or any Tranche thereof, no service charge shall be made for any registration of transfer or exchange of Bonds, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Bonds, other than exchanges pursuant to Section 3.04, 6.06 or 14.06 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Bonds of any series, or any Tranche thereof, during a period of fifteen (15) days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of such series or Tranche called for redemption or (b) any Bond so selected for redemption in whole or in part, except the unredeemed portion of any Bond being redeemed in part.

SECTION 3.06. MUTILATED, DESTROYED, LOST AND STOLEN BONDS.

If any mutilated Bond is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Bond of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Bond and (b) such security and/or indemnity as may be reasonably required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Bond is held by a protected purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Bond, a new Bond of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Company in its discretion may, but subject to compliance with the foregoing conditions, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) in connection therewith.

Every new Bond of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone other than the Holder of such new Bond, and any such new Bond shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 3.07. PAYMENT OF INTEREST; INTEREST RIGHTS PRESERVED.

Unless otherwise specified as contemplated by Section 3.01 with respect to the Bonds of any series, or any Tranche thereof, interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, except that, unless otherwise provided in the Bonds of such series, interest payable on the Stated Maturity of the principal of a Bond shall be paid to the Person to whom principal is paid. The initial payment of interest on any Bond of any series which is issued between a Regular Record Date and the related Interest Payment Date shall be payable as provided in such Bond or in a Board Resolution, Officer's Certificate or supplemental indenture pursuant to Section 3.01 with respect to the related series of Bonds. Except in the case of a Global Bond (such interest to be paid in accordance with the Depository's applicable policies and procedures) at the option of the Company, interest on any series of Bonds may be paid by (i) check mailed to the address of the Person entitled thereto as it shall appear on the Bond Register of such series or (ii) wire transfer in immediately available funds at such place and to such account as designated in writing by the Person entitled thereto as specified in the Bond Register of such series.

Any interest on any Bond of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "**Defaulted Interest**") shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Bonds of such series (or their respective Predecessor Bonds) are registered at the close of business on a date (herein called a "**Special Record Date**") for the

payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than thirty (30) days and not less than ten (10) days prior to the date of the proposed payment and not less than twenty-five (25) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall, not less than fifteen (15) days prior to such Special Record Date, cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given to each Holder of Bonds of such series. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Bonds of such series (or their respective Predecessor Bonds) are registered at the close of business on such Special Record Date.

(b) The Company may make payment of any Defaulted Interest on the Bonds of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 3.05, each Bond delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

SECTION 3.08. PERSONS DEEMED OWNERS.

Prior to due presentment of a Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 3.05 and 3.07) interest, if any, on such Bond and for all other purposes whatsoever, whether or not such Bond be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 3.09. CANCELLATION BY BOND REGISTRAR.

All Bonds surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Bond Registrar, be delivered to the Bond Registrar and, if not theretofore canceled, shall be promptly canceled by the Bond Registrar. The Company may at any time deliver to the Bond Registrar for cancellation any Bonds previously authenticated and delivered hereunder which the Company may have acquired in any manner

whatsoever or which the Company shall not have issued and sold (or pledged), and all Bonds so delivered shall be promptly canceled by the Bond Registrar. No Bonds shall be authenticated in lieu of or in exchange for any Bonds canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Bonds held by the Bond Registrar shall be disposed of in accordance with the Bond Registrar's then customary practice for disposing of securities, unless otherwise directed by a Company Order.

SECTION 3.10. COMPUTATION OF INTEREST.

Except as otherwise specified as contemplated by Section 3.01 for Bonds of any series, or any Tranche thereof, interest on the Bonds of each series shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months and, with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during such period.

SECTION 3.11. PAYMENT TO BE IN PROPER CURRENCY.

In the case of the Bonds of any series, or any Tranche thereof, denominated in any currency other than Dollars or in a composite currency (the "**Required Currency**"), except as otherwise specified with respect to such Bonds as contemplated by Section 3.01, the obligation of the Company to make any payment of the principal thereof, or the premium, if any, or interest, if any, thereon, shall not be discharged or satisfied by any tender by the Company in any currency other than the Required Currency, except to the extent that such tender shall result in the applicable Paying Agent timely holding the full amount of the Required Currency then due and payable. If any such tender is in a currency other than the Required Currency, an exchange rate agent appointed by the Company may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company and the Company shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable.

SECTION 3.12. CUSIP NUMBERS.

The Company, in issuing the Bonds, may use "CUSIP" or other similar numbers (if then generally in use), and, if so, the Trustee or Bond Registrar may use CUSIP or such other numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, in which case none of the Company or, as the case may be, the Trustee or the Bond Registrar, or any agent of any of them, shall have any liability in respect of any CUSIP number used on any such notice, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the CUSIP numbers.

SECTION 3.13. EXTENSION OF INTEREST PAYMENT.

The Company shall have the right at any time, to extend interest payment periods on all the Bonds of any series hereunder, if so specified as contemplated by Section 3.01 with respect to such Bonds and upon such terms as may be specified as contemplated by Section 3.01 with respect to such Bonds.

SECTION 3.14. GLOBAL BONDS.

If the Company shall establish pursuant to Section 3.01(q) that the Bonds of a series, or a Tranche thereof, are to be issued in whole or in part in the form of one or more Global Bonds, then the Company shall execute and the Trustee shall, in accordance with this Section and the Company Order with respect to such series or Tranche, authenticate and deliver one or more Global Bonds in temporary or permanent form that (i) shall represent and shall be denominated in an aggregate amount equal to the aggregate principal amount of the Outstanding Bonds of such series or Tranche, to be represented by one or more Global Bonds, (ii) shall be registered in the name of the Depositary for such Global Bond or Bonds or the nominee of such Depositary, (iii) shall be delivered by the Trustee to such Depositary or pursuant to such Depositary's instruction or held by the Trustee as custodian for the Depositary, and (iv) shall bear a legend substantially to the following effect: "Unless and until it is exchanged in whole or in part for Bonds in definitive form, this Bond may not be transferred except as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary."

ARTICLE IV**LIEN EFFECTIVE DATE****SECTION 4.01.**

The security interest in, and lien on, the Mortgaged Property pursuant to this Indenture shall become effective on a date (the "**Lien Effective Date**"), which shall be the date of delivery by the Company to the Trustee of each of the following:

- (a) An Officer's Certificate stating that, prior to or concurrently with the Lien Effective Date:
 - (i) The Effective Date has occurred; and
 - (ii) Any further security documents required to create the Lien in the Mortgaged Property will be executed and delivered (to the extent any such document is required to be delivered on such date).
- (b) A Company Order requesting execution and delivery by the Trustee of a supplemental indenture (such Company Order to be accompanied by the documents required by Section 1.04 hereof), if deemed necessary or desirable by Company to effectuate the lien of this Indenture, and such other instruments (in form and substance reasonably satisfactory to the Trustee) as the Company may deem necessary or desirable to effectuate the lien of this Indenture;

(c) An Opinion of Counsel to the effect that that this Indenture creates, or upon the taking of actions specified in said opinion, will create a lien on all the Property Additions made the basis of the authentication and delivery of Bonds issued prior to the Lien Effective Date, subject, to the knowledge of such counsel, to no Lien thereon prior to the lien of this Indenture, except Permitted Liens; and

(d) An Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing.

Upon the occurrence of the Lien Effective Date, the Trustee shall, at the sole cost and expense of the Company, promptly (i) execute and deliver to the order of the Company the documents and instruments (in form and substance reasonably satisfactory to the Trustee) that the Company deems reasonably necessary to effectuate the lien of this Indenture and (ii) execute and deliver to the Company such deeds, and other documents and instruments (in form and substance reasonably satisfactory to the Trustee) as, in the judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence the lien of this Indenture.

Upon the occurrence of the Lien Effective Date and notwithstanding any other provision of this Indenture or the Bonds, all Bonds, automatically and without any further action by the Company, the Trustee, or any Holders, shall be secured by the Mortgaged Property and shall constitute secured obligations of the Company, and the provisions of this Indenture and the Bonds shall be construed consistently with the status of the Bonds as secured obligations of the Company.

The Company shall, as promptly as practicable after the occurrence of the Lien Effective Date, give notice to all Holders of the occurrence of the Lien Effective Date in the same manner as a notice of redemption.

ARTICLE V

ISSUANCE OF BONDS

SECTION 5.01. GENERAL.

Subject to the provisions of Section 5.02, 5.03 or 5.04, whichever may be applicable, the Trustee shall authenticate and deliver Bonds of a series, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

(a) the instrument or instruments establishing the form or forms and terms of such series, as provided in Sections 2.01 and 3.01;

(b) a Company Order requesting the authentication and delivery of such Bonds and, to the extent that the terms of such Bonds shall not have been established in an indenture supplemental hereto or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or Board Resolution, all as contemplated by Section 3.01, either (i) establishing such terms or (ii) in the case of Bonds of a series subject to a Periodic Offering, specifying procedures by which such terms are to be established (which procedures may provide

for authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions are to be promptly confirmed electronically or in writing), in either case in accordance with the instrument or instruments delivered pursuant to clause (a) above;

(c) the Bonds of such series, executed on behalf of the Company by an officer specified in Section 3.03;

(d) an Opinion of Counsel to the effect that:

(i) the form or forms of such Bonds have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture;

(ii) the terms of such Bonds have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture; and

(iii) when such Bonds shall have been authenticated and delivered by the Trustee and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, such Bonds will have been duly issued under this Indenture, will constitute valid obligations of the Company enforceable in accordance with their terms, subject to laws relating to or affecting generally the enforcement of mortgagees' and other creditors' rights, including, without limitation, bankruptcy and insolvency laws, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and will be entitled to the benefits provided by this Indenture;

provided, however, that, with respect to Bonds of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of such Bonds (provided that such Opinion of Counsel addresses the authentication and delivery of all such Bonds) and that, in lieu of the opinions described in clauses (ii) and (iii) above, counsel may opine that:

(x) when the terms of such Bonds shall have been established pursuant to a Company Order or Orders or pursuant to such procedures as may be specified from time to time by a Company Order or Orders, all as contemplated by and in accordance with the instrument or instruments delivered pursuant to clause (a) above, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of this Indenture; and

(y) when such Bonds shall have been authenticated and delivered by the Trustee in accordance with this Indenture and the Company Order or Orders or the specified procedures referred to in paragraph (x) above and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, such Bonds will have been duly issued under this Indenture, will constitute valid obligations of the Company enforceable in accordance with their terms, subject to laws relating to or affecting generally the enforcement of mortgagees' and other creditors' rights, including, without

limitation, bankruptcy and insolvency laws, and to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and will be entitled to the benefits provided by this Indenture;

(e) an Officer's Certificate to the effect that, to the knowledge of the signer, no Event of Default has occurred and is continuing; provided, however, that with respect to Bonds of a series subject to a Periodic Offering, either (i) such an Officer's Certificate shall be delivered at the time of the authentication and delivery of each Bond of such series or (ii) the Officer's Certificate delivered at or prior to the time of the first authentication and delivery of the Bonds of such series shall state that the statements therein shall be deemed to be made at the time of each, or each subsequent, authentication and delivery of Bonds of such series; and

(f) such other Opinions of Counsel, certificates and other documents as may be required under Section 5.02, 5.03 or 5.04, whichever may be applicable to the authentication and delivery of the Bonds of such series.

SECTION 5.02. ISSUANCE OF BONDS ON THE BASIS OF PROPERTY ADDITIONS.

(a) Bonds of any one or more series may be authenticated and delivered on the basis of Property Additions which, prior to the issuance of such Bonds, constitute Unfunded Property, in a principal amount not exceeding seventy percent (70%) of the Adjusted Property Additions Basis of such Property Additions.

(b) Bonds of any series shall be authenticated and delivered by the Trustee on the basis of Property Additions which, prior to the issuance of such Bonds, constitute Unfunded Property, upon receipt by the Trustee of:

- (i) the documents with respect to the Bonds of such series specified in Section 5.01;
- (ii) an Expert's Certificate dated as of a date not more than ninety (90) days prior to the date of the Company Order requesting the authentication and delivery of such Bonds, substantially in the form attached hereto as Schedule 1,
 - (A) describing all property constituting Property Additions and designated by the Company, in its discretion, to be made the basis of the authentication and delivery of such Bonds (such description of property to be made by reference, at the election of the Company, either to specified items, units and/or elements of property or portions thereof, on a percentage or Dollar basis, or to properties reflected in specified accounts or subaccounts in the Company's books of account or portions thereof, on a Dollar basis), and stating that all such property constitutes Property Additions;
 - (B) stating (I) the Cost of such Property Additions, (II) to the extent such Property Additions are subject to a Senior Lien securing Senior Lien Obligations, the outstanding principal amount of such Senior Lien Obligations as of the date of such certificate, and (III) the Net Cost of such Property Additions;

(C) stating that such Property Additions are desirable for use in the conduct of the business, or one of the businesses, of the Company;

(D) stating that such Property Additions, to the extent of the Property Additions Basis thereof that is to be made the basis of the authentication and delivery of such Bonds, constitute, prior to the issuance of such Bonds, Unfunded Property;

(E) stating, except as to such Property Additions acquired, made or constructed wholly through the delivery of securities or property other than cash, the amount of cash forming all or part of the Cost thereof;

(F) briefly describing, with respect to any Property Additions acquired, made or constructed in whole or in part through the delivery of securities or property other than cash, the securities or other property so delivered, stating the date of such delivery and stating, in the judgment of the signers, the fair market value in cash of such securities or other property at the time of delivery thereof in payment for the acquisition or construction of such Property Additions;

(G) stating what part, if any, of such Property Additions includes property which constitutes an Acquired Facility and stating whether or not, in the judgment of the signers, the Fair Value to the Company of any such Acquired Facility, as of the date of such certificate, is a De Minimis Amount;

(H) stating (I) in the judgment of the signers, the Fair Value to the Company, as of the date of such certificate, of such Property Additions, except any thereof with respect to the Fair Value to the Company of which a statement is to be made in an Independent Expert's Certificate pursuant to clause (iii) below, and (II) the Net Fair Value of such Property Additions;

(I) if any property included in such Property Additions is subject to a Lien of the character described (x) in clause (f) of the definition of Permitted Liens, stating that such Lien does not, in the judgment of the signers, materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company, or (y) in clause (j)(ii) of the definition of Permitted Liens, stating that such Lien does not, in the judgment of the signers, materially impair the use by the Company of such Mortgaged Property for the purposes for which it is held by the Company or (z) in clause (q)(ii) of the definition of Permitted Liens, stating that the enforcement of such Lien would not, in the judgment of the signers, adversely affect the interests of the Company in such Mortgaged Property in any material respect;

(J) stating the amount required to be deducted under Section 1.03(b)(i) and the amounts elected to be added under Section 1.03(b)(ii) in respect of Funded Property Retired of the Company;

(K) stating the Adjusted Property Additions Basis of such Property Additions;

(L) stating the amount equal to seventy percent (70%) of the Adjusted Property Additions Basis stated pursuant to clause (K) above; and

(M) stating the aggregate principal amount of the Bonds to be authenticated and delivered on the basis of such Property Additions (such amount not to exceed the amount stated pursuant to clause (L) above);

(iii) if any Property Additions are shown by the Expert's Certificate provided for in clause (ii) above to include property which constitutes an Acquired Facility or Pledged Securities and such certificate does not show the Fair Value thereof to the Company as of the date of such certificate to be a De Minimis Amount, an Independent Expert's Certificate stating, in the judgment of the signer, the Fair Value to the Company, as of the date of such Independent Expert's Certificate, of (X) such Property Additions which constitute an Acquired Facility and (at the option of the Company) as to any other Property Additions included in the Expert's Certificate provided for in clause (ii) above, (Y) such Pledged Securities, and (Z) in case such Independent Expert's Certificate is being delivered in connection with the authentication and delivery of Bonds, any other Acquired Facility or Pledged Securities which have been subjected to the lien of this Indenture since the commencement of the then current calendar year as the basis for the authentication and delivery of Bonds and as to which an Independent Expert's Certificate has not previously been furnished to the Trustee;

(iv) an Opinion of Counsel to the effect:

(A) if such Opinion of Counsel is delivered on or after the Lien Effective Date, that this Indenture creates, or upon the taking of actions specified in said opinion, will create a lien on all the Property Additions to be made the basis of the authentication and delivery of such Bonds, subject, to the knowledge of such counsel, to no Lien thereon prior to the lien of this Indenture, except Permitted Liens; and

(B) that the Company has corporate authority to operate such Property Additions; and

(v) copies of the instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in clause (iv) above.

SECTION 5.03. ISSUANCE OF BONDS ON THE BASIS OF RETIRED BONDS.

(a) Bonds of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal amount not exceeding the aggregate principal amount of, Retired Bonds.

- (b) Bonds of any series shall be authenticated and delivered by the Trustee on the basis of Retired Bonds upon receipt by the Trustee of:
- (i) the documents with respect to the Bonds of such series specified in Section 5.01; and
 - (ii) an Officer's Certificate stating that (1) Bonds, specified by series, in an aggregate principal amount not less than the aggregate principal amount of Bonds to be authenticated and delivered on the basis of Retired Bonds pursuant to this Section 5.03, have theretofore been authenticated and delivered, (2) such Bonds are the basis for the authentication and delivery of Bonds pursuant to this Section 5.03, and (3) such Bonds constitute Retired Bonds as of the date of such Officer's Certificate or concurrently with the authentication and delivery of the Bonds will constitute Retired Bonds.

SECTION 5.04. ISSUANCE OF BONDS ON THE BASIS OF DEPOSIT OF CASH.

- (a) Bonds of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal not exceeding the amount of, any deposit with the Trustee of cash for such purpose.
- (b) Bonds of any series shall be authenticated and delivered by the Trustee on the basis of the deposit of cash when the Trustee shall have received, in addition to such deposit, the documents with respect to the Bonds of such series specified in Section 5.01.
- (c) All cash deposited with the Trustee under the provisions of this Section (herein referred to as "**Deposited Cash**") shall be held by the Trustee, shall constitute Mortgaged Property and may be withdrawn from time to time by the Company free and clear of any Lien, upon delivery of a Company Order to the Trustee, in an amount equal to the aggregate principal amount of Bonds to the authentication and delivery of which the Company shall be entitled under Section 5.02 or 5.03 hereof.

In case such withdrawal of Deposited Cash is, in whole or in part, based upon Property Additions which constitute Unfunded Property, the Company shall comply with Section 5.02 as if such Property Additions were being made the basis for the authentication and delivery of Bonds thereon equivalent in principal amount to the amount of the Deposited Cash to be withdrawn on such basis; or in case the withdrawal of Deposited Cash is, in whole or in part, based upon the right to the authentication and delivery of Bonds based on the delivery to the Trustee of Retired Bonds, the Company shall comply with Section 5.03 relating to such authentication and delivery, recognizing that, in each such case, the action being taken is the withdrawal of Deposited Cash rather than the authentication and delivery of Bonds; provided, however, that the Company shall not in any event be required to deliver the documents specified in Section 5.01.

Any withdrawal of Deposited Cash under this subsection (c) shall operate as a waiver by the Company of its right to the authentication and delivery of the Bonds on which such withdrawal is based and such Bonds may not thereafter be authenticated and delivered hereunder. Any Property Additions which have been made the basis of any such right to the

authentication and delivery of Bonds so waived shall be deemed to have been made the basis of the withdrawal of such Deposited Cash and shall constitute Funded Property hereunder; and any Retired Bonds which have been made the basis of any such right to the authentication and delivery of Bonds so waived shall be deemed to have been made the basis of the withdrawal of such Deposited Cash.

(d) If at any time the Company shall so direct, any Deposited Cash may be used or applied to the purchase, payment or redemption of Bonds in the manner and subject to the conditions provided in clauses (d) and (e) of Section 8.07.

SECTION 5.05. ISSUANCE OF ADDITIONAL BONDS.

The Company may issue additional Bonds of any series from time to time in accordance with this Article V, having the same terms in all respects as the applicable series of Bonds (except for the date of issuance, the issue price, and, in some cases, the initial interest accrual date and the first Interest Payment Date). Any such additional Bonds of any series shall be fungible with the original Bonds of such series for Federal income tax purposes or shall be issued using a different CUSIP. Each series of Bonds and any additional Bonds issued on the same terms and conditions would rank equally and ratably and should be treated as a single series for all purposes under this Indenture.

ARTICLE VI

REDEMPTION OF BONDS

SECTION 6.01. APPLICABILITY OF ARTICLE.

Bonds of any series, or any Tranche thereof, which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 3.01 for Bonds of such series or Tranche) in accordance with this Article.

SECTION 6.02. ELECTION TO REDEEM; NOTICE TO TRUSTEE.

The election of the Company to redeem any Bonds shall be evidenced by a Board Resolution or an Officer's Certificate. The Company shall, at least forty-five (45) days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of such Bonds to be redeemed. In the case of any redemption of Bonds (a) prior to the expiration of any restriction on such redemption provided in the terms of such Bonds or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Bonds, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 6.03. SELECTION OF BONDS TO BE REDEEMED.

If less than all the Bonds of any series, or any Tranche thereof, are to be redeemed, the particular Bonds to be redeemed shall be selected by the Bond Registrar from the Outstanding Bonds of such series or Tranche not previously called for redemption, by such method as shall be provided for any particular series or Tranche, or, in the absence of any such provision, by lot or by such method of random selection as the Bond Registrar shall deem fair and appropriate and which may, in any case, provide for the selection for redemption of portions (equal to the minimum authorized denomination for Bonds of such series or Tranche or any integral multiple thereof) of the principal amount of Bonds of such series or Tranche having a denomination larger than the minimum authorized denomination for Bonds of such series or Tranche; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Bonds then Outstanding of any series, or any Tranche thereof, and less than all of such Bonds as to which such offer was made shall have been tendered to the Company for such purchase, the Bond Registrar, if so directed by Company Order, shall select for redemption all or any principal amount of such Bonds which have not been so tendered; provided, further, that with respect to Global Bonds, the Bonds to be redeemed shall be selected in accordance with the procedures of the Depositary.

Except in the case of Global Bonds, the Bond Registrar shall promptly notify the Company and the Trustee in writing of the Bonds selected for redemption and, in the case of any Bonds selected to be redeemed in part, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bonds redeemed or to be redeemed only in part, to the portion of the principal amount of such Bonds which has been or is to be redeemed.

SECTION 6.04. NOTICE OF REDEMPTION.

Unless otherwise specified with respect to any series of Bonds, or any Tranche thereof, in accordance with Section 3.01, notice of redemption shall be given in the manner provided in Section 1.08 to the Holders of the Bonds to be redeemed not less than ten (10) nor more than sixty (60) days prior to the Redemption Date.

All notices of redemption shall state:

- (a) the Redemption Date,
- (b) the Redemption Price or, if not then ascertainable, the manner of calculation thereof,
- (c) if less than all the Bonds of any series or Tranche are to be redeemed, the identification of the particular Bonds to be redeemed and the portion of the principal amount of any Bond to be redeemed in part,

(d) that on the Redemption Date, the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Bond to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date; provided, that if a conditional notice shall be given, other appropriate language shall be inserted indicating the conditional nature of the redemption,

(e) the place or places where such Bonds are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 3.01 with respect to such Bonds that such surrender shall not be required,

(f) that the redemption is for a sinking or other fund, if such is the case, and

(g) such other matters as the Company shall deem desirable or appropriate.

Unless otherwise specified with respect to any series of Bonds, or any Tranche thereof, in accordance with Section 3.01, with respect to any redemption of Bonds at the election of the Company or any redemption which is contingent on the occurrence or nonoccurrence of an event or condition which cannot be ascertained prior to the time a redemption notice is required to be given hereunder, such notice may state that such redemption shall be conditional upon receipt by the Trustee or the Paying Agent or Agents for such Bonds, on or prior to the date fixed for such redemption, of money sufficient to pay the Redemption Price of such Bonds and accrued interest, if any, thereon to the Redemption Date (or written direction from the Company to apply such money for the payment of such Bonds, if such money shall have been deposited with the Trustee or Paying Agent or Agents upon the condition that the Trustee or Paying Agent or Agents will apply such money only at the written direction of the Company) and that if such money shall not have been so received (or if such money shall have been received but the Trustee or the Paying Agent or Agents have been directed, in writing, by the Company not to apply such money to redeem such Bonds) such notice shall be of no force or effect and the Company shall not be required to redeem such Bonds; provided, however, that conditional notice shall not be given if upon the giving of notice, such Bonds shall be deemed to have been paid in accordance with Section 9.01. In the event that such notice of redemption contains such a condition and such money is not so received, or the Trustee or Paying Agent or Agents have been directed by the Company not to apply such money to the redemption of such Bonds, the redemption shall not be made, and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received or that the Trustee or Paying Agent or Agents have been directed by the Company not to redeem such Bonds and such redemption was not required to be made, and the Trustee or Paying Agent or Agents for the Bonds otherwise to have been redeemed shall promptly return to the Holders thereof any of such Bonds which had been surrendered for payment upon such redemption.

Notice of redemption of Bonds to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, at the Company's written request, by the Bond Registrar in the name and at the expense of the Company. Notice of mandatory redemption of Bonds shall be given by the Company or, at the Company's written request, by the Bond Registrar.

SECTION 6.05. BONDS PAYABLE ON REDEMPTION DATE.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the Bonds or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Bonds or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with such notice, such Bond or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that no such surrender shall be a condition to such payment if so specified as contemplated by Section 3.01 with respect to such Bond; and provided, further, that, except as otherwise specified as contemplated by Section 3.01 with respect to such Bond, any installment of interest on any Bond the Stated Maturity of which installment is on or prior to the Redemption Date shall be payable to the Holder of such Bond, or one or more Predecessor Bonds, registered as such at the close of business on the related Regular Record Date according to the terms of such Bond and subject to the provisions of Section 3.07.

SECTION 6.06. BONDS REDEEMED IN PART.

Upon the surrender of any Bond which is to be redeemed only in part at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series and Tranche, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

ARTICLE VII

COVENANTS

SECTION 7.01. PAYMENT OF BONDS; LAWFUL POSSESSION; MAINTENANCE OF LIEN.

(a) The Company shall pay the principal of and premium, if any, and interest, if any, on the Bonds of each series in accordance with the terms of such Bonds and this Indenture.

(b) At the Execution Date, the Company is lawfully possessed of the Mortgaged Property. From and after the Lien Effective Date, the Company shall maintain and preserve its title to the Mortgaged Property and the lien of this Indenture so long as any Bonds shall remain Outstanding, subject, however, to the provisions of Article VIII and Article XIII.

SECTION 7.02. MAINTENANCE OF OFFICE OR AGENCY.

The Company shall maintain in each Place of Payment for the Bonds of each series, or any Tranche thereof, an office or agency where payment of such Bonds shall be made, and where the registration of transfer or exchange of such Bonds may be effected and where notices and demands to or upon the Company in respect of such Bonds and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency. If at any time the Company shall fail to maintain any such required office or agency in respect of Bonds of any series, or any Tranche thereof, or shall fail to furnish the Trustee with the address thereof, payment of such Bonds shall be made, registration of transfer or exchange thereof may be effected and notices and demands in respect thereof may be served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company may also from time to time designate one or more other offices or agencies with respect to the Bonds of one or more series, or any Tranche thereof, for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company, in which event the Company shall perform all functions to be performed at such office or agency.

SECTION 7.03. MONEY FOR BOND PAYMENTS TO BE HELD IN TRUST.

If the Company shall at any time act as its own Paying Agent with respect to the Bonds of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Bonds, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee, in writing, of any failure by the Company (or any other obligor on such Bonds) to make any payment of principal of or premium, if any, or interest, if any, on such Bonds.

Whenever the Company shall have one or more Paying Agents for the Bonds of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Bonds, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sums to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee, in writing, of any failure by it so to act.

Upon their appointment as Paying Agent, the Company shall cause each Paying Agent for the Bonds of any series, or any Tranche thereof, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

- (a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Bonds in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (b) give the Trustee written notice of any failure by the Company (or any other obligor upon such Bonds) to make any payment of principal of or premium, if any, or interest, if any, on such Bonds; and
- (c) at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article IX; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Unless otherwise prescribed by applicable law, any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on any Bond and remaining unclaimed for two years after such principal and premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust without further action by the Company, Trustee or any Paying Agent; and, upon such payment or discharge, the Holder of such Bond shall, as an unsecured general creditor and not as the Holder of an Outstanding Bond, look only to the Company for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, shall, upon receipt of a Company Request and at the expense of the Company, cause to be delivered, on one occasion only, notice to such Holder that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such notice, any unclaimed balance of such money then remaining will be paid to the Company.

SECTION 7.04. CORPORATE EXISTENCE.

Subject to the rights of the Company under Article XIII, the Company shall do or cause to be done all things necessary to preserve and keep its corporate existence in full force and effect.

SECTION 7.05. MAINTENANCE OF PROPERTIES.

From and after the Lien Effective Date, the Company shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) the Mortgaged Property, considered as a whole, to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made such repairs, renewals, replacements, betterments and improvements thereof, as, in the judgment of the Company, may be necessary in order that the operation of the Mortgaged Property, considered as a whole, may be conducted in accordance with common industry practice; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing the discontinuance of, the operation and maintenance of any portion of the Mortgaged Property; and provided, further, that nothing in this Section shall prevent the Company from selling, transferring or otherwise disposing of, or causing the sale, transfer or other disposition of, any portion of the Mortgaged Property so long as any such sale, transfer or other disposition is permitted by, and conducted in accordance with, the terms of this Indenture.

SECTION 7.06. PAYMENT OF TAXES; LIENS AND DISCHARGE OF LIENS.

(a) From and after the Lien Effective Date, the Company shall pay all taxes and assessments and other governmental charges lawfully levied or assessed upon the Mortgaged Property, or upon any part thereof, or upon the interest of the Trustee in the Mortgaged Property, before the same shall become delinquent, and shall make reasonable effort to observe and conform in all material respects to all valid requirements of any Governmental Authority relative to any of the Mortgaged Property and all covenants, terms and conditions upon or under which any of the Mortgaged Property is held.

(b) From and after the Lien Effective Date, the Company shall not create nor suffer to be created any Lien upon the Mortgaged Property, or any part thereof, prior to, or pari passu with, the lien of this Indenture, other than Permitted Liens; provided, however, that nothing herein shall be construed as a subordination of the lien of this Indenture to any Permitted Liens encumbering any part of the Mortgaged Property except to the extent that such subordination occurs or is effected by operation of law or pursuant to the provisions of Section 8.11 or Section 11.07.

(c) Notwithstanding anything to the contrary contained in this Section, the Company shall not be required (i) to observe or conform to any requirement of a Governmental Authority or to cause to be paid or discharged, or to make provision for, any such Lien, or to pay any such tax, assessment or governmental charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, (ii) to pay, discharge or make provisions for any tax, assessment or other governmental charge, the validity of which shall not be so contested if adequate security for the payment of such tax, assessment or other governmental charge and for any penalties or interest which may reasonably be anticipated from failure to pay the same shall be given to the Trustee or (iii) to pay, discharge or make provisions for any Liens existing on the Mortgaged Property on and as of the Execution Date; provided that the same constitute Permitted Liens; and provided, further, that nothing in this Section shall prohibit the issuance or other incurrence of additional indebtedness, or the refunding of

outstanding indebtedness, secured by any Lien prior to the lien hereof which is permitted under this Section to continue to exist. Notwithstanding the foregoing, the Company shall not increase the principal amount of any Senior Lien Obligations secured by a Senior Lien on any Funded Property.

SECTION 7.07. INSURANCE.

(a) Subject to clause (e) below, the Company shall (i) keep or cause to be kept all Mortgaged Property insured against loss by fire, to the extent that property of similar character is usually so insured by companies similarly situated and operating like properties, to a reasonable amount, by reputable insurance companies, the proceeds of such insurance (except as to any Minor Loss) to be made payable, subject to applicable law, to the Trustee as the interest of the Trustee may appear, or to any holder of a Senior Lien securing Senior Lien Obligations if the terms of the applicable Senior Lien require such payment, or (ii) in lieu of or supplementing such insurance in whole or in part, adopt some other method or plan of protection against loss by fire at least equal in protection to the method or plan of protection against loss by fire of companies similarly situated and operating properties subject to similar fire hazards or properties on which an equal primary fire insurance rate has been set by reputable insurance companies; and if the Company shall adopt such other method or plan of protection, it shall, subject to applicable law (and except as to any Minor Loss) pay to the Trustee on account of any loss covered by such method or plan an amount in cash equal to the amount of such loss less any amounts otherwise paid to the Trustee in respect of such loss or paid to any holder of a Senior Lien securing Senior Lien Obligations in respect of such loss if the terms of the applicable Senior Lien require such payment. Any cash so required to be paid by the Company pursuant to any such method or plan shall for the purposes of this Indenture be deemed to be proceeds of insurance. In case of the adoption of such other method or plan of protection, the Company shall also furnish to the Trustee a certificate of an actuary or other qualified Person appointed by the Company with respect to the adequacy of such method or plan.

Anything herein to the contrary notwithstanding, the Company may have fire insurance policies with (i) a deductible provision in a dollar amount per occurrence not exceeding the applicable Deductible Limit and/or (ii) co-insurance or self insurance provisions with a dollar amount per occurrence not exceeding thirty percent (30%) of the loss proceeds otherwise payable.

Anything herein to the contrary notwithstanding, the Company need not keep insured or protected by any other method or plan, as contemplated herein, any part of the Mortgaged Property if such insurance or protection of such part of the Mortgaged Property is no longer available to the Company on commercially reasonable terms.

(b) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance, in either case on account of a loss on or with respect to Funded Property, shall, subject to the requirements of any Senior Lien upon such Funded Property, be held by the Trustee, constitute Mortgaged Property, and, subject as aforesaid, shall be paid by it to the Company free and clear of any Lien to reimburse the Company for an equal amount expended or committed for expenditure in the rebuilding, renewal and/or replacement of or substitution for the property destroyed, damaged or otherwise lost (such property being referred to in this clause (b) as "lost property"), upon receipt by the Trustee of:

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- (i) a Company Request requesting such payment;
 - (ii) an Expert's Certificate:
 - (A) describing the lost property;
 - (B) stating the Funded Property Basis of such lost property or, if such damage, destruction or loss shall have affected only a portion of such Funded Property, stating the allocable portion of such Funded Property Basis (such allocation to be made on any reasonable basis as may be determined by the Company);
 - (C) stating the amounts so expended or committed for expenditure in the rebuilding, renewal, replacement of and/or substitution for such lost property; and
 - (D) stating (I) the Fair Value to the Company of such lost property as rebuilt or renewed or as to be rebuilt or renewed and/or of the replacement or substituted property (such rebuilt, renewed, replaced or substituted property being referred to in this clause (b) as the "replaced property"); provided, that, if any portion of such replaced property is an Acquired Facility and the Fair Value to the Company of such Acquired Facility as set forth in such Expert's Certificate is not a De Minimis Amount, then an Independent Expert shall opine as to the Fair Value to the Company of such Acquired Facility, (II) to the extent such replaced property is subject to a Senior Lien securing Senior Lien Obligations, the outstanding principal amount of such Senior Lien Obligations as of the date of such certificate, and (III) the Net Fair Value of such replaced property; and
 - (iii) an Opinion of Counsel stating that, in the opinion of the signer, the Indenture creates, or upon taking of the actions specified in such opinion, the Indenture will create, a lien on the replaced property.

Any such moneys not so applied within thirty-six (36) months after its receipt by the Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding, renewal, replacement or substitution then in progress and uncompleted shall not have been given to the Trustee by the Company within such thirty-six (36) months, or which the Company shall at any time notify the Trustee, in writing, is not to be so applied, shall thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 8.07; provided, however, that (i) if the amount of such moneys shall exceed seventy percent (70%) of the amount stated pursuant to clause (B) in the Expert's Certificate referred to above, or (ii) if any of such moneys remain after the Company shall have replaced the lost property with replaced property and the Net Fair Value of the replaced property is at least equal to the Funded Property Basis of the lost property, then in each case, the amount of such excess shall not be deemed to be Funded Cash, shall not be subject to

Section 8.07 and shall be remitted to or upon the written order of the Company free and clear of any Lien. All replaced property, to the extent that it has been built or acquired with the proceeds of Funded Cash pursuant to this clause (b), shall constitute Mortgaged Property and Funded Property.

Anything in this Indenture to the contrary notwithstanding, if Mortgaged Property on or with respect to which a loss occurs constitutes Funded Property in part only, the Company may, at its election, obtain the reimbursement of insurance proceeds attributable to the part of such property which constitutes Funded Property under this subsection (b) and obtain the reimbursement of insurance proceeds attributable to the part of such property which constitutes Unfunded Property under subsection (c) of this Section.

(c) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance, in either case on account of a loss on or with respect to Unfunded Property shall, subject to the requirements of any applicable Senior Lien securing Senior Lien Obligations, be held by the Trustee, constitute Mortgaged Property, and, subject as aforesaid, shall be paid by it to the Company free and clear of any Lien upon receipt by the Trustee of:

(i) a Company Request requesting such payment;

(ii) an Expert's Certificate made and dated not more than ninety (90) days prior to the date of such Company Request, stating:

(A) that such moneys were paid to or received by the Trustee on account of a loss on or with respect to Unfunded Property;

(B) if true, (I) that the aggregate Adjusted Property Additions Basis of all Property Additions which constitute Unfunded Property (excluding, to the extent of such loss, the property on or with respect to which such loss was incurred), is not less than zero (0), or (II) that the amount of such loss does not exceed the aggregate Adjusted Property Additions Basis of all Property Additions acquired, made or constructed on or after the ninetieth (90th) day prior to the date of the Company Request requesting such payment; and

(C) if neither of the statements contemplated in subclause (B) above can be made, the amount by which zero (0) exceeds the amount referred to in subclause (B)(I) above (showing in reasonable detail the calculation thereof) (such amount being referred to in this clause (c) as the "**Make-up Amount**"); and

(iii) an amount in cash, to be held by the Trustee and to constitute Mortgaged Property, equal to seventy percent (70%) of the Make-up Amount if the Expert's Certificate required by clause (ii) above does not contain either of the statements contemplated in clause (ii) (B) above.

To the extent that the Company shall be entitled to withdraw proceeds of insurance pursuant to this subsection (c), such proceeds shall be deemed not to constitute Funded Cash.

(d) Whenever under the provisions of this Section the Company is required to deliver moneys to the Trustee and at the same time shall have satisfied the conditions set forth herein for payment of moneys by the Trustee to the Company, there shall be paid to or retained by the Trustee or paid to the Company, as the case may be, only the amount net of any taxes or other governmental charges, any administrative or other miscellaneous expenses of the insurance provider and any amounts allowed by this Indenture to be deducted from amounts payable to the Trustee.

SECTION 7.08. RECORDING, FURTHER ASSURANCES.

(a) Following the Lien Effective Date, the Company shall cause this Indenture and all indentures and instruments supplemental hereto (or notices, memoranda or financing statements or amendments thereto as may be recorded or filed to place third parties on notice thereof) (together with accurate and complete legal descriptions of the Mortgaged Property, including after-acquired Mortgaged Property) to be promptly recorded and filed and re-recorded and re-filed in such manner and in such places, as may be required by law in order to fully preserve and protect the security of the Holders of the Bonds and all rights of the Trustee, and shall furnish to the Trustee:

(i) Within 120 calendar days after the Lien Effective Date and within 120 calendar days after the execution and delivery of each supplemental indenture following the first supplemental indenture hereto, an Opinion of Counsel either stating that in the opinion of such counsel this Indenture or such supplemental indenture (or any other instrument, notice, memorandum or financing statement in connection therewith) has been properly recorded and filed so as to make effective the lien intended to be created hereby or thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such lien effective. The Company shall be deemed to be in compliance with this subsection (i) if (x) the Opinion of Counsel herein required to be delivered to the Trustee shall state that this Indenture or such supplemental indenture (or any other instrument, notice, memorandum or financing statement in connection therewith) has been received for record or filing in each jurisdiction in which it is required to be recorded or filed and that, in the opinion of such counsel (if such is the case), such receipt for record or filing makes effective the lien intended to be created by this Indenture or such supplemental indenture, and (y) such opinion is delivered to the Trustee within such time, following the date of execution of this Indenture, as originally executed and delivered, or such supplemental indenture, as shall be practicable having due regard to the number and distance of the jurisdictions in which this Indenture or such supplemental indenture (or such other instrument, notice, memorandum or financing statement in connection therewith) is required to be recorded or filed (but in no event to exceed 120 calendar days; and

(ii) on or before June 1 of each year, beginning June 1, 2021, an Opinion of Counsel stating either (x) that in the opinion of such counsel such action has been taken, since the date of the most recent Opinion of Counsel furnished pursuant to this subsection (ii) or the first Opinion of Counsel furnished pursuant to clause (i) of this subsection (a), with respect to the recording, filing, re-recording, and re-filing of this Indenture and of each indenture supplemental to this Indenture (or any other instrument,

notice, memorandum or financing statement or amendments thereto in connection therewith), as is necessary to maintain the lien hereof, and reciting the details of such action, or (y) that in the opinion of such counsel no such action is necessary to maintain such lien.

(b) From and after the Lien Effective Date, the Company shall authorize, execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as may be necessary or proper to carry out the purposes of this Indenture and to make subject to the lien hereof any property hereafter acquired, made or constructed and intended to be subject to the lien hereof, and to transfer to any new trustee or trustees or co-trustee or co-trustees, the estate, powers, instruments or funds held in trust hereunder.

(c) The Company hereby authorizes (in the event the Company fails to do so), from and after the Lien Effective Date, the recordation and filing by the Trustee of one or more financing statements and amendments thereto or any continuation statements with respect thereto to perfect the Trustee's security interest in any portion of the Mortgaged Property. The Company hereby acknowledges, however, that it shall be its responsibility to file all such financing statements, amendments and continuation statements in the first instance.

SECTION 7.09. WAIVER OF CERTAIN COVENANTS.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in

(a) any covenant or restriction specified with respect to the Bonds of any one or more series, or any one or more Tranches thereof, as contemplated by Section 3.01 if before the time for such compliance the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds of all series and Tranches with respect to which compliance with such covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; provided, however, that no such waiver shall be effective as to any of the matters contemplated in clause (a), (b), (c) or (d) in Section 14.02 without the consent of the Holders specified in such Section; and

(b) Section 7.04, 7.05, 7.06 or 7.07 or Article XIII if, before the time for such compliance, the Holders of not less than a majority in principal amount of Bonds Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition;

but, in either case, no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 7.10. ANNUAL OFFICER'S CERTIFICATE AS TO COMPLIANCE.

Not later than June 1 in each year, commencing June 1, 2021, the Company shall deliver to the Trustee a certificate (which need not comply with Section 1.04) executed by the principal

executive officer, the principal financial officer or the principal accounting officer of the Company, as to such officer's knowledge of the Company's compliance with all conditions and covenants under this Indenture, such compliance to be determined without regard to any period of grace or requirement of notice under this Indenture.

ARTICLE VIII

POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY

SECTION 8.01. QUIET ENJOYMENT.

Unless one or more Events of Default shall have occurred and be continuing, the Company shall be permitted to possess, use, manage, operate and enjoy the Mortgaged Property (except, to the extent not herein otherwise provided, such money, deposit accounts, instruments, investment property and other property as are expressly required by this Indenture to be paid or delivered to, deposited with, or held by, the Trustee hereunder) freely and without any hindrance or interference on the part of the Trustee or of the Holders of the Bonds.

SECTION 8.02. DISPOSITIONS WITHOUT RELEASE.

With respect to any Mortgaged Property or any interest therein, unless an Event of Default shall have occurred and be continuing, the Company may at any time and from time to time, without any release or consent by, or report to, the Trustee:

(a) sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, apparatus, towers, transformers, poles, lines, cables, conduits, ducts, conductors, meters, regulators, holders, tanks, retorts, purifiers, odorizers, scrubbers, compressors, valves, pumps, mains, pipes, service pipes, fittings, connections, services, tools, implements, computers, data processing, data storage, data transmission or telecommunications equipment, or any other fixtures or personalty, then subject to the lien hereof, which shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unserviceable, undesirable or unnecessary for use in the operations of the Company upon replacing the same by, or substituting for the same, similar or analogous property, or other property performing a similar or analogous function or otherwise obviating the need therefor (provided, that such similar, analogous or other property constitutes Unfunded Property), having a Cost in the aggregate to the Company at least equal to the Cost in the aggregate of the property sold or otherwise disposed of and subject to the lien hereof, subject to no Liens prior hereto except Permitted Liens and any other Liens to which the property sold or otherwise disposed of was subject;

(b) cancel or make changes or alterations in or substitutions for any and all easements, servitudes, rights-of-way and similar rights and/or interests which are subject to the lien hereof; and

(c) grant, free from the lien of this Indenture, easements, ground leases or rights-of-way in, upon, over and/or across the property or rights-of-way of the Company for the purpose of roads, pipe lines, transmission lines, distribution lines, communication lines, railways, removal of coal or other minerals or timber, and other like purposes, or for the joint or common

use of real property, rights-of-way, facilities and/or equipment; provided, however, that such grant shall not materially impair the use of the property or rights-of-way for the purposes for which such property or rights-of-way are held by the Company.

The Trustee shall, from time to time, execute a written instrument with respect to any particular action taken by the Company under this Section in order to confirm, based solely on its receipt of the documents in subclauses (i), (ii) and (iii) below of this clause (c), that such action does not require any release or consent by, or report to, the Trustee, upon receipt by the Trustee of (i) a Company Order requesting the same, (ii) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing and stating further that said action was duly taken by the Company in conformity with this Section, and (iii) an Opinion of Counsel stating that said action was duly taken by the Company in conformity with this Section.

SECTION 8.03. RELEASE OF FUNDED PROPERTY.

Unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property, or any interest therein, which constitutes Funded Property, and the Trustee shall release all its right, title and interest in and to the same from the lien hereof, upon receipt by the Trustee of:

- (a) a Company Order requesting the release of such property and transmitting therewith a form of instrument to effect such release;
- (b) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing;

(c) an Expert's Certificate made and dated not more than ninety (90) days prior to the date of such Company Order, substantially in the form attached hereto as Schedule 2:

- (i) describing the property to be released;
 - (ii) stating the Fair Value, in the judgment of the signers, of the property to be released;
 - (iii) stating the Funded Property Basis of the property to be released; and
 - (iv) stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof;
- (d) an Officer's Certificate, substantially in the form attached hereto as Schedule 3, stating:

(i) the amount in cash (the "**Cash Deposit Amount**"), if any, to be held by the Trustee and constituting Mortgaged Property (and which cash shall then constitute Funded Cash), which Cash Deposit Amount shall be equal to the difference between (A) the Funded Property Basis of the property to be released, less any taxes and

expenses incidental to any sale, exchange, dedication or other disposition of the property to be released, and (B) the aggregate amount of the Cash Deposit Credit Items (as hereinafter defined); and

(ii) indicating one or more, or any combination, of the following property (collectively, the “**Cash Deposit Credit Items**”), if any, and the amounts thereof, which together with the Cash Deposit Amount, if any, to be deposited with the Trustee shall form the basis for the release of property requested in the Company Order referred to in clause (a) above of this Section:

(A) the aggregate principal amount of any Purchase Money Obligations delivered to the Trustee, to be held by the Trustee and constituting Mortgaged Property, which are secured by Purchase Money Liens upon the property to be released;

(B) the Adjusted Property Additions Basis (or, as provided below in this clause (ii)(B), the Property Additions Basis), of any Property Additions which constitute Unfunded Property described in an Expert’s Certificate, dated not more than ninety (90) days prior to the date of the Company Order requesting such release and complying with clause (ii) and, to the extent applicable, clause (iii) in Section 5.02(b), delivered to the Trustee; provided, however, that for purposes of the above, the Property Additions Basis shall be substituted in lieu of the Adjusted Property Additions Basis if such Property Additions were acquired, made or constructed on or after the ninetieth (90th) day preceding the date of such Company Order;

(C) an amount equal to ten-sevenths (10/7ths) of the aggregate principal amount of Bonds to the authentication and delivery of which the Company shall be entitled under the provisions of Section 5.03, by virtue of compliance with all applicable provisions of Section 5.03 (except as hereinafter in this Section otherwise provided); provided, however, that such release shall operate as a waiver by the Company of the right to the authentication and delivery of such Bonds and, to such extent, no such Bonds may thereafter be authenticated and delivered under Section 5.03; and any Bonds which were the basis of such right to the authentication and delivery of Bonds so waived shall be deemed to have been made the basis of such release of property; and

(D) an amount equal to ten-sevenths (10/7ths) of the aggregate principal amount of any Outstanding Bonds delivered to the Trustee.

(e) the Cash Deposit Amount and the Cash Deposit Credit Items stated in such Officer’s Certificate delivered to the Trustee pursuant to clause (d) of this Section, which in the aggregate shall be at least equal to the Funded Property Basis of the property to be released, less any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released;

(f) if the release is on the basis of Property Additions or on the basis of the right to the authentication and delivery of Bonds under Section 5.03, all documents contemplated below in this Section; and

(g) if the release is on the basis of the delivery to the Trustee of Purchase Money Obligations, as described in clause (d)(ii)(A) in this Section, all documents contemplated below in this Section, to the extent required.

If and to the extent that the release of property is, in whole or in part, based upon Property Additions (as described in clause (d)(ii)(B) in this Section), the Company shall, subject to the provisions of said clause (d)(ii)(B) and except as hereafter in this paragraph provided, comply with clauses (ii) through (v) of Section 5.02(b) as if such Property Additions were to be made the basis of the authentication and delivery of Bonds equal in principal amount to seventy percent (70%) of the Funded Property Basis of that portion of the property to be released, as shown by the Expert's Certificate required by clause (c) in this Section, but recognizing that the action to be taken is the release of property rather than the authentication and delivery of Bonds; provided, however, that the Cost of any Property Additions received or to be received by the Company in whole or in part as consideration in exchange for the property to be released shall, for all purposes of this Indenture, be deemed to be the Fair Value of the property to be released as stated in the Expert's Certificate provided for in clause (c) of this Section, (x) plus the amount of any cash and the fair market value of any other consideration, further to be stated in such Expert's Certificate, paid and/or delivered or to be paid and/or delivered by, and the amount of any obligations assumed or to be assumed by, the Company in connection with such exchange as additional consideration for such Property Additions and/or (y) less the amount of any cash and the fair market value of any other consideration, which shall also be stated in such Expert's Certificate, received or to be received by the Company in connection with such exchange in addition to such Property Additions. Notwithstanding the foregoing, in no event shall the Company be required to deliver the documents specified in Section 5.01. Any Property Additions which have become the basis for the release of Funded Property pursuant to this Section shall constitute Funded Property.

If and to the extent that the release of property is, in whole or in part, based upon the right to the authentication and delivery of Bonds under Section 5.03 (as described in clause (d)(ii)(C) of this Section), the Company shall, except as hereafter in this paragraph provided, comply with Section 5.03(b) relating to such authentication and delivery, but recognizing that the action to be taken is the release of property rather than the authentication and delivery of Bonds. Notwithstanding the foregoing provisions of this paragraph, in no event shall the Company be required to deliver the documents specified in Section 5.01.

If the release of property is, in whole or in part, based upon the delivery to the Trustee of Purchase Money Obligations (as described in clause (d)(ii)(A) of this Section), the Company shall deliver to the Trustee:

(a) an Officer's Certificate (i) stating that no event has occurred and is continuing which entitles the holder of the Purchase Money Lien securing such Purchase Money Obligations to accelerate the maturity of the Purchase Money Obligations, if any, outstanding thereunder, (ii) reciting the aggregate principal amount of Purchase Money Obligations, if any,

then outstanding thereunder in addition to the Purchase Money Obligations then being delivered in connection with the release of such property and the terms and conditions, if any, on which additional Purchase Money Obligations are permitted to be issued; and

(b) an Opinion of Counsel stating that, in the opinion of the signer, (i) such Purchase Money Obligations are valid obligations, (ii) such Purchase Money Lien constitutes, or, upon the taking of the actions specified in such opinion, will constitute, a Lien upon the property to be released, subject, to the knowledge of such counsel, to no Lien prior thereto except Liens generally of the character of Permitted Liens and such Liens, if any, as shall have existed thereon immediately prior to such release as Liens prior to the lien of this Indenture, (iii) if any Purchase Money Obligations in addition to the Purchase Money Obligations being delivered in connection with such release of property are then outstanding, or are permitted to be issued, under such Purchase Money Lien, (A) that such Purchase Money Lien constitutes, or, upon the taking of the actions specified in such opinion, will constitute, a Lien upon all other property, if any, purporting to be subject thereto, subject, to the knowledge of such counsel, to no Lien prior thereto except Liens generally of the character of Permitted Liens and Liens permitted to exist or to be hereafter created under Section 7.06 and (B) that the terms of such Purchase Money Lien, as then in effect, do not permit the issuance of Purchase Money Obligations thereunder except on the basis of property generally of the character of Property Additions, the retirement or deposit of outstanding Purchase Money Obligations, the deposit of prior Lien obligations or the deposit of cash.

If the Opinion of Counsel provided to the Trustee pursuant to clause (b) above is conditioned upon the filing and/or recording of any instruments of conveyance, assignment or transfer, the Company shall promptly cause such instruments to be filed and/or recorded in the proper places and manner and shall deliver to the Trustee evidence of such filing and/or recording promptly upon receipt of such evidence by the Company.

Any Outstanding Bonds delivered to the Trustee pursuant to clause (d)(ii)(D) of this Section shall forthwith be canceled by the Trustee. Any cash and/or Purchase Money Obligations deposited with the Trustee pursuant to clause (d)(ii)(A) of this Section, and the proceeds of any such Purchase Money Obligations, shall be held by the Trustee and constitute Mortgaged Property and shall be withdrawn, released, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 8.07.

Anything in this Indenture to the contrary notwithstanding, if property to be released constitutes Funded Property in part only, the Company shall obtain the release of the part of such property which constitutes Funded Property under this Section and obtain the release of the part of such property which constitutes Unfunded Property under Section 8.04; provided, that the foregoing shall not preclude the release of such property under any other applicable Section of this Article VIII. In such event, (i) the application of Property Additions in the release under clause (d)(ii)(B) of this Section shall be taken into account in clause (vi) or clause (vii), whichever may be applicable, of the Expert's Certificate described in clause (c) in Section 8.04 and (ii) the Trustee shall, at the election of the Company, execute and deliver a separate instrument of release with respect to the property released under each of such Sections or a consolidated instrument of release with respect to the property released under both of such Sections considered as a whole. To the extent that only a portion of any Funded Property is to be

released under this Section 8.03, the Company shall be entitled to make an allocation of the Funded Property Basis between that portion of the Funded Property being released and that portion of the Funded Property remaining subject to the lien of this Indenture on any reasonable basis as may be determined by the Company.

SECTION 8.04. RELEASE OF PROPERTY CONSTITUTING UNFUNDED PROPERTY.

Unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property, or any interest therein, which constitutes Unfunded Property, and the Trustee shall release all its right, title and interest in and to the same from the lien hereof, upon receipt by the Trustee of:

- (a) a Company Order requesting the release of such property and transmitting therewith a form of instrument to effect such release;
- (b) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing;
- (c) an Expert's Certificate, made and dated not more than ninety (90) days prior to the date of such Company Order, substantially in the form attached hereto as Schedule 4:
 - (i) describing the property to be released;
 - (ii) stating (A) the Fair Value, in the judgment of the signers, of the property to be released, (B) to the extent such property to be released is subject to a Senior Lien securing Senior Lien Obligations, the outstanding principal amount of such Senior Lien Obligations as of the date of such certificate, and (C) the Net Fair Value of the property to be released;
 - (iii) stating the Cost and Net Cost of the property to be released;
 - (iv) stating the Property Additions Basis of the property to be released;
 - (v) stating that the property to be released constitutes Unfunded Property;
 - (vi) if true, stating (I) that the aggregate Adjusted Property Additions Basis of all Property Additions which constitute Unfunded Property (excluding the property to be released), is not less than zero (0), or (II) that the Adjusted Property Additions Basis of the property to be released does not exceed the aggregate Adjusted Property Additions Basis of all Property Additions acquired, made or constructed on or after the ninetieth (90th) day prior to the date of the Company Order requesting such release;
 - (vii) if neither of the statements contemplated in subclause (vi) above can be made, stating (A) the amount by which zero (0) exceeds the amount referred to in subclause (vi)(I) above (showing in reasonable detail the calculation thereof) (such

amount being referred to in this Section as the “**Make-up Amount**”) and (B) the amount in cash, if any, to be deposited by the Company, held by the Trustee, and constitute Mortgaged Property, calculated as described in clause (d) below of this Section; and

(viii) stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof;

(d) if the Expert’s Certificate required by clause (c) above does not contain either of the statements contemplated in clause (c)(vi) above, an amount in cash equal to seventy percent (70%) of the lower of (i) the Property Additions Basis of the property to be released and (ii) the Make-up Amount, less the aggregate of items of the character described in clauses (d)(ii)(C) and (d)(ii)(D) of Section 8.03 then to be used as a credit against cash required to be deposited under this clause (d) (subject, however, to the same limitations and conditions with respect to such items as are set forth in Section 8.03); and

(e) items of the character described in clause (d) above in this Section, if any, being used by the Company as a credit against cash required to be deposited with the Trustee pursuant to clause (d) above in this Section.

SECTION 8.05. RELEASE OF PROPERTIES WITHIN ANNUAL LIMITS.

(a) Notwithstanding the provisions of Sections 8.03 and 8.04, unless an Event of Default shall have occurred and be continuing, the Company may obtain the release from the lien hereof of any part of the Mortgaged Property, or any interest therein, and the Trustee shall whenever from time to time requested by the Company in a Company Order transmitting therewith a form of instrument to effect such release, and without requiring compliance with any of the provisions of Section 8.03 or 8.04, release from the lien hereof all the right, title and interest of the Trustee in and to the same, provided that the aggregate Fair Value of the property to be so released on any date in a given calendar year, together with the Fair Value of all other property released pursuant to this Section 8.05(a) in such calendar year, shall not exceed the greater of (i) Ten Million Dollars (\$10,000,000) for calendar year 2020; provided, that with respect to any subsequent calendar year, such amount shall be increased by the same percentage increase in the CPI Index for the period commencing January 1, 2020 and ending on January 1 of the applicable calendar year as set forth in an Officer’s Certificate delivered to the Trustee and (ii) three percent (3%) of the aggregate principal amount of Bonds then Outstanding.

(b) Prior to the granting of any release under this Section, there shall be delivered to the Trustee:

(i) an Officer’s Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing, and

(ii) an Expert’s Certificate stating (A) in the judgment of the signers, the Fair Value of the property to be released and the aggregate Fair Value of all other property theretofore released pursuant to this Section in such calendar year, (B) as to Funded Property, the Funded Property Basis thereof, and (C) that, in the judgment of the signers, the release thereof will not impair the security under this Indenture in contravention of the provisions hereof.

(c) On or before December 31st of each calendar year, the Company shall deposit with the Trustee an amount in cash equal to seventy percent (70%) of the aggregate Funded Property Basis of the properties constituting Funded Property so released during such year (the “**Cash Deposit Amount**”) and such Cash Deposit Amount shall constitute Mortgaged Property; provided, however, that the Cash Deposit Amount may be reduced, at the election of the Company, by any of, or any combination of, the Cash Deposit Credit Items specified in clause (d)(ii) of Section 8.03, subject to all of the limitations and conditions specified in such Section, to the same extent as if such property were being released pursuant to Section 8.03.

Any cash deposited with the Trustee under this Section may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 8.07.

SECTION 8.06. PURCHASE MONEY OBLIGATIONS.

(a) Any Purchase Money Obligations delivered to the Trustee in consideration of the release of property from the lien of this Indenture, together with any evidence of the applicable Purchase Money Lien held by the Trustee, shall be released from the lien of this Indenture and delivered to or upon the written order of the Company upon payment by the Company to the Trustee of an amount in cash equal to the aggregate principal amount of such Purchase Money Obligations less the aggregate amount theretofore paid to the Trustee (by the Company, the obligor or otherwise) in respect of the principal of such Purchase Money Obligations, such cash to constitute Mortgaged Property.

(b) The principal of and interest on any such Purchase Money Obligations secured by a Purchase Money Lien held by the Trustee shall be held by the Trustee as and when the same are received by the Trustee and shall constitute Mortgaged Property. The interest received by the Trustee on any such Purchase Money Obligations shall be deemed not to constitute Funded Cash and shall be remitted to the Company free and clear of any Lien; provided, however, that if an Event of Default shall have occurred and be continuing, such proceeds shall constitute Mortgaged Property and shall be retained by the Trustee until such Event of Default shall have been cured or waived.

(c) The Trustee shall have and may exercise all the rights and powers of any owner of such Purchase Money Obligations and of all substitutions therefor and, without limiting the generality of the foregoing, may collect and receive all insurance moneys payable to it under any of the provisions thereof and apply the same in accordance with the provisions thereof, may consent to extensions thereof at a higher or lower rate of interest, may join in any plan or plans of voluntary or involuntary reorganization or readjustment or rearrangement and may accept and hold hereunder new obligations, stocks or other securities issued in exchange therefor under any such plan. Any discretionary action which the Trustee may be entitled to take in connection with any such Purchase Money Obligations or substitutions therefor shall be taken, so long as no Event of Default shall have occurred and be continuing, in accordance with a Company Order, and, during the continuance of an Event of Default, acting at the written direction by the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding.

(d) Anything herein to the contrary notwithstanding, the Company may irrevocably waive all right to the withdrawal pursuant to this Section of, and any other rights with respect to, any Purchase Money Obligations held by the Trustee, and the proceeds of any such Purchase Money Obligations, by delivery to the Trustee of a Company Order:

(i) specifying such Purchase Money Obligations and stating that the Company thereby waives all rights to the withdrawal thereof and of the proceeds thereof pursuant to this Section, and any other rights with respect thereto; and

(ii) directing that the principal of such Purchase Money Obligations be applied as provided in clause (e) of Section 8.07, specifying the Bonds to be paid or redeemed or for the payment or redemption of which payment is to be made.

Following any such waiver, the interest on any such Purchase Money Obligations shall be applied to the payment of interest, if any, on the Bonds to be paid or redeemed or for the payment or redemption of which provision is to be made, as specified in the aforesaid Company Order, as and when such interest shall become due from time to time, and any excess funds remaining from time to time after such application shall be applied to the payment of interest on any other Bonds as and when the same shall become due. Pending any such application, the interest on such Purchase Money Obligations shall be invested in Investment Securities specified in a Company Order. The principal of any such Purchase Money Obligations shall be applied solely to the payment of principal of the Bonds to be paid or redeemed or for the payment or redemption of which provision is to be made, as specified in the aforesaid Company Order. Pending such application, the principal of such Purchase Money Obligations shall be invested in Eligible Obligations specified in a Company Order. The obligation of the Company to pay the principal of such Bonds when the same shall become due at Maturity, shall be offset and reduced by the amount of the proceeds of such Purchase Money Obligations then held, and to be applied, by the Trustee in accordance with this paragraph. In no event shall the Trustee be liable for determining whether any investment fits within the criteria set forth in "Investment Securities" or for any loss incurred in connection with the sale of any Investment Security pursuant to this Section. In the absence of a Company Order directing the Trustee to invest cash held by the Trustee hereunder, funds shall remain uninvested until the Trustee shall have received a Company Order directing the Trustee to invest such cash in another Investment Security. The Trustee shall not be accountable or liable for any losses resulting from the sale or depreciation in the market value of investments made pursuant to this Indenture and Company Orders.

SECTION 8.07. WITHDRAWAL OR OTHER APPLICATION OF FUNDED CASH.

Subject to the provisions of Section 5.04 with respect to Deposited Cash and except as hereafter in this Section provided, unless an Event of Default shall have occurred and be continuing, any Funded Cash held by the Trustee, and any other cash which is required to be withdrawn, used or applied as provided in this Section,

(a) may be withdrawn from time to time by the Company free and clear of any Lien to the extent of the Adjusted Property Additions Basis (or, as provided below in this clause (a), the Property Additions Basis) of Property Additions constituting Unfunded Property, described in an Expert's Certificate, dated not more than ninety (90) days prior to the date of the

Company Order requesting such withdrawal and complying with clause (ii) and, to the extent applicable, clause (iii) in Section 5.02(b), delivered to the Trustee; provided, however, that, for purposes of the above, the Property Additions Basis shall be substituted in lieu of the Adjusted Property Additions Basis if such Property Additions were acquired, made or constructed on or after the ninetieth (90th) day preceding the date of such Company Order;

(b) may be withdrawn from time to time by the Company free and clear of any Lien in an amount equal to ten-sevenths (10/7ths) of the aggregate principal amount of Bonds to the authentication and delivery of which the Company shall be entitled under the provisions of Section 5.03 hereof, by virtue of compliance with all applicable provisions of Section 5.03 (except as hereinafter in this Section otherwise provided); provided, however, that such withdrawal of cash shall operate as a waiver by the Company of the right to the authentication and delivery of such Bonds and, to such extent, no such Bonds may thereafter be authenticated and delivered hereunder; and any such Bonds which were the basis of such right to the authentication and delivery of Bonds so waived shall be deemed to have been made the basis of such withdrawal of cash;

(c) may be withdrawn from time to time by the Company free and clear of any Lien in an amount equal to ten-sevenths (10/7ths) of the aggregate principal amount of any Outstanding Bonds delivered to the Trustee;

(d) may, upon delivery of a Company Request to the Trustee, be used by the Trustee for the purchase of Bonds in the manner, at the time or times, in the amount or amounts, at the price or prices (not exceeding ten-sevenths (10/7ths) of the principal amount thereof) and otherwise as directed or approved by the Company, all subject to the limitations hereafter in this Section set forth; or

(e) may, upon delivery of a Company Request to the Trustee, be applied by the Trustee to the payment (or provision therefor pursuant to Article IX) at Stated Maturity of any Bonds or to the redemption (or similar provision therefor) of any Bonds which are, by their terms, redeemable, in each case of such series as may be designated by the Company, any such redemption to be in the manner and as provided in Article VI, all subject to the limitations hereafter in this Section set forth.

Such moneys shall, from time to time, be paid or used or applied by the Trustee, as aforesaid, upon the request of the Company in a Company Order, and upon receipt by the Trustee of an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing. If and to the extent that the withdrawal of cash is based upon Property Additions (as permitted under the provisions of clause (a) above), the Company shall, subject to the provisions of said clause (a) and except as hereafter in this paragraph provided, comply with clauses (ii) through (v) of Section 5.02(b) as if such Property Additions were made the basis for the authentication and delivery of Bonds equal in principal amount to seventy percent (70%) of the cash so to be withdrawn, but recognizing that the action to be taken is the release of Funded Cash rather than the authentication and delivery of Bonds. Any Property Additions which have become the basis for the withdrawal of cash pursuant to this Section shall constitute Funded Property. If and to the extent that the withdrawal of cash is based upon the right to the authentication and delivery of Bonds (as permitted under the provisions of clause (b)

above), the Company shall, except as hereafter in this paragraph provided, comply with Section 5.03(b) relating to such authentication and delivery, but recognizing that the action to be taken is the release of Funded Cash rather than the authentication and delivery of Bonds. Notwithstanding the foregoing provisions of this paragraph, in no event shall the Company be required to deliver the documents specified in Section 5.01.

Notwithstanding the generality of clauses (d) and (e) above, no cash to be applied pursuant to such clauses shall be applied to the payment of an amount in excess of the principal amount of any Bonds to be purchased, paid or redeemed except to the extent that the aggregate principal amount of all Bonds theretofore, and of all Bonds then to be, purchased, paid or redeemed pursuant to such clauses is not less than the aggregate cost for principal of, premium, if any, and accrued interest, if any, on and brokerage commissions, if any, with respect to, such Bonds.

Any Outstanding Bonds delivered to the Trustee pursuant to clause (c) in this Section shall forthwith be canceled by the Trustee.

SECTION 8.08. RELEASE OF PROPERTY TAKEN BY EMINENT DOMAIN, ETC.

Should any of the Mortgaged Property, or any interest therein, be taken by exercise of the power of eminent domain or be sold to an entity possessing the power of eminent domain under a threat to exercise the same, and should the Company elect not to obtain the release of such property pursuant to other provisions of this Article, the Trustee shall, upon request of the Company evidenced by a Company Order transmitting therewith a form of instrument to effect such release, release from the lien hereof all its right, title and interest in and to the property so taken or sold (or with respect to an interest in property, subordinate the lien hereof to such interest), upon receiving (a) an Opinion of Counsel to the effect that such property has been taken by exercise of the power of eminent domain or has been sold to an entity possessing the power of eminent domain under threat of an exercise of such power, (b) an Officer's Certificate stating the amount of net proceeds received or to be received for such property so taken or sold, and the amount so stated shall be deemed to be the Fair Value of such property for the purpose of any notice to the Holders of Bonds, (c) if any portion of such property constitutes Funded Property, an Expert's Certificate stating the Funded Property Basis thereof and (d) if any portion of such property constitutes Funded Property, a deposit by the Company of an amount in cash equal to seventy percent (70%) of the Funded Property Basis stated in the Expert's Certificate delivered pursuant to clause (c) above, such deposit to constitute Mortgaged Property; provided, however, that the amount required to be so deposited shall not exceed the portion of the net proceeds received or to be received for such property so taken or sold which is allocable on a pro-rata or other reasonable basis to the portion of such property constituting Funded Property; and provided, further, that the net proceeds of such taking or sale required to be deposited pursuant to this Section shall be reduced by the amount of cash or other consideration that has been delivered to or otherwise deposited with a holder of a Senior Lien securing Senior Lien Obligations in accordance with the provisions of such Senior Lien, all as stated in an Officer's Certificate delivered to the Trustee (which shall also state that such cash or consideration has not previously been applied by the Company as a credit against any other deposit of cash required to be made by the Company under this Indenture). Any cash deposited with the Trustee under this Section may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 8.07.

SECTION 8.09. DISCLAIMER OR QUITCLAIM.

In case the Company has sold, exchanged, dedicated, pledged, assigned, transferred or otherwise disposed of, or has agreed or intends to sell, exchange, dedicate, pledge, assign, transfer or otherwise dispose of, or a Governmental Authority has ordered the Company to divest itself of, any Excepted Property or any other property not subject to the lien hereof, or the Company desires to disclaim or quitclaim title to property to which the Company does not purport to have title, the Trustee shall, from time to time, disclaim or quitclaim such property and any interest it may have therein upon receipt by the Trustee of the following:

- (a) a Company Order requesting such disclaimer or quitclaim and transmitting therewith a form of instrument to effect such disclaimer or quitclaim;
- (b) an Officer's Certificate describing the property to be disclaimed or quitclaimed; and
- (c) an Opinion of Counsel stating the signer's opinion that such property does not constitute Mortgaged Property.

SECTION 8.10. MISCELLANEOUS.

(a) If the Fair Value of the property to be released from the lien of this Indenture in accordance with any provision of this Article plus the Fair Value of all other property released since the commencement of the then current calendar year, as set forth in the certificates required by this Indenture, is ten percent (10%) or more of the aggregate principal amount of the Bonds at the time Outstanding, an Independent Expert shall be required to make the certifications in the Expert's Certificate required pursuant to this Article as to the Fair Value of the property to be released and as to the nonimpairment of the security under this Indenture. Notwithstanding the previous sentence, an Expert's Certificate shall not be required to be made by an Independent Expert in the case of any release of property if the Fair Value of such property to be released, as set forth in the certificates required by this Indenture, is a De Minimis Amount. To the extent that the Fair Value of any property to be released from the lien of this Indenture shall be stated in an Independent Expert's Certificate, such Fair Value shall not be required to be stated in any other Expert's Certificate delivered in connection with such release.

(b) No release of property from the lien of this Indenture effected in accordance with the provisions, and in compliance with the conditions, set forth in this Article and in Sections 1.04 and 1.05 shall be deemed to impair the security of this Indenture in contravention of any provision hereof.

(c) If the Mortgaged Property shall be in the possession of a receiver or trustee, lawfully appointed, the powers hereinbefore conferred upon the Company with respect to the release of any part of the Mortgaged Property or any interest therein or the withdrawal of cash may be exercised, with the approval of the Trustee, by such receiver or trustee, notwithstanding that an Event of Default may have occurred and be continuing, and any request,

certificate, appointment or approval made or signed by such receiver or trustee for such purposes shall be as effective as if made by the Company or any of its officers or appointees in the manner herein provided; and if the Trustee (or its nominee) shall be in possession of the Mortgaged Property under any provision of this Indenture, then such powers may be exercised by the Trustee (or its nominee), acting at the written direction by the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding, notwithstanding that an Event of Default may have occurred and be continuing.

(d) If the Company shall retain any interest in any property released from the lien of this Indenture as provided in Section 8.03, 8.04 or 8.05, this Indenture shall not become or be, or be required to become or be, a Lien upon such property or such interest therein or any improvements, extensions or additions to such property or renewals, replacements or substitutions of or for such property or any part or parts thereof or any proceeds of any of the foregoing unless the Company shall execute and deliver to the Trustee an indenture supplemental hereto, in recordable form, containing a grant, conveyance, transfer and mortgage thereof. As used in this subsection, the terms “improvements”, “extensions” and “additions” shall be limited as set forth in Section 13.01.

(e) Notwithstanding the occurrence and continuance of an Event of Default, the Trustee may release from the lien hereof any part of the Mortgaged Property or permit the withdrawal of cash, upon compliance with the other conditions specified in this Article in respect thereof.

(f) No purchaser or grantee of property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustee to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold, granted, exchanged, dedicated or otherwise disposed of, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange, dedication or other disposition.

SECTION 8.11. PRIORITY OF PURCHASE MONEY LIENS AND CONSERVATION EASEMENTS.

(a) The Trustee hereby acknowledges and agrees to subordinate the lien of this Indenture to any Purchase Money Lien or conservation easement upon receipt by the Trustee of (i) a Company Request for any such subordination which includes a description of the Purchase Money Lien or the conservation easement to which this Indenture is being subordinated, (ii) an Officer's Certificate stating that no Event of Default has occurred and is continuing to the knowledge of the signer, that the mortgage or other instrument or agreement with respect to which a subordination is being requested is a Purchase Money Lien or conservation easement and stating that such Purchase Money Lien or conservation easement does not encumber any Funded Property, and (iii) a form of instrument appropriate and reasonably satisfactory to the Trustee to effect such subordination. Upon receipt of the foregoing, the Trustee hereby agrees to promptly execute, acknowledge and deliver the instrument described in clause (iii) above or any other instrument (in form and substance reasonably satisfactory to the Trustee) that the Company may request in order to evidence or

effect the subordination as requested by the Company. Notwithstanding the foregoing, nothing herein shall require the Trustee to, and the Trustee shall not unless otherwise permitted under the terms of this Indenture, subordinate the lien of this Indenture to any Purchase Money Lien or conservation easement which encumbers Funded Property.

(b) Notwithstanding clause (a) of this Section, the lien of this Indenture shall be subordinate and junior in priority to any LCC Conservation Easement existing at the Execution Date or hereafter granted by the Company in accordance with the LCC Settlement and Stipulation, without any further action by the Company, any holder of such LCC Conservation Easement or the Trustee. Without limiting the foregoing, if requested by the Company by delivery of an Officer's Certificate to the Trustee, the Trustee agrees to promptly execute and deliver a form of instrument provided by the Company to confirm such subordination.

ARTICLE IX

SATISFACTION AND DISCHARGE

SECTION 9.01. SATISFACTION AND DISCHARGE OF BONDS.

Any Bond or Bonds, or any portion of the principal amount thereof, shall be deemed to have been paid and no longer Outstanding for all purposes of this Indenture, and the entire indebtedness of the Company in respect thereof shall be satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

(a) money (including Funded Cash not otherwise applied pursuant to Section 8.07) in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Bonds or portions thereof, Eligible Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Bonds or portions thereof; provided, however, that in the case of the provision for payment or redemption of less than all the Bonds of any series or Tranche, such Bonds or portions thereof shall have been selected as provided in Section 6.03 herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided, further, that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Bonds, a Company Order stating that the money and Eligible Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 9.03;

(y) if Eligible Obligations shall have been deposited, an Opinion of Counsel to the effect that such obligations constitute Eligible Obligations and do not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, and an opinion of an Independent public Accountant of nationally recognized standing, selected by the Company, to the effect that the other requirements set forth in clause (b) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Bonds, an Officer's Certificate stating the Company's intention that, upon delivery of such Officer's Certificate, its indebtedness in respect of such Bonds or portions thereof will have been satisfied and discharged as contemplated in this Section.

Upon the deposit of money or Eligible Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon Company Request, acknowledge in writing that such Bonds or portions thereof are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof has been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Bonds or portions thereof except that, for any reason, the Officer's Certificate specified in clause (z) (if otherwise required) shall not have been delivered, such Bonds or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Bonds or portions thereof shall nevertheless be no longer entitled to the benefit of the lien of this Indenture (other than with respect to such deposit, which shall constitute Mortgaged Property) or of any of the covenants of the Company under Article VII (except the covenants contained in Sections 7.02 and 7.03) or any other covenants made in respect of such Bonds or portions thereof as contemplated by Section 3.01, but the indebtedness of the Company in respect of such Bonds or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose; and, upon Company Request, the Trustee shall acknowledge in writing that such Bonds or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Bonds of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section, such Bonds, or portions of principal amount thereof, shall be selected in the manner specified by Section 6.03 for selection for redemption of less than all the Bonds of a series or Tranche.

In the event that Bonds which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, in respect of which the Company's indebtedness shall have been satisfied and discharged, all as provided in this Section, do not mature and are not to be redeemed within the sixty (60) day period commencing with the date of the deposit of moneys or Eligible Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Bonds, to the Holders of such Bonds to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Bonds shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company and the Trustee in respect of such Bonds under Sections 3.04, 3.05, 3.06, 6.04, 7.02, 7.03, 11.07 and 11.15 and this Article, and the Trustee's rights under Article XI, shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Eligible Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Eligible Obligations or the principal or interest received in respect of such Eligible Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Bond would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect thereof would be deemed to have been satisfied and discharged, pursuant to this Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, shall be required to return the money or Eligible Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable federal or state bankruptcy, insolvency or other similar law, such Bond shall thereupon be deemed retroactively not to have been paid and any satisfaction and discharge of the Company's indebtedness in respect thereof shall retroactively be deemed not to have been effected, and such Bond shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness in respect of any Bond shall be subject to the provisions of the last paragraph of Section 7.03.

SECTION 9.02. SATISFACTION AND DISCHARGE OF INDENTURE.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute such instruments as the Company shall reasonably request to evidence and acknowledge the satisfaction and discharge of this Indenture, when:

- (a) no Bonds remain Outstanding hereunder;
- (b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and
- (c) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

provided, however, that if, in accordance with the last paragraph of Section 9.01, any Bond, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company and the Trustee under Sections 3.04, 3.05, 3.06, 6.04, 7.02, 7.03, 11.07 and 11.15 and this Article, and the Trustee's rights under Article XI, shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall quit claim and otherwise turn over to the Company the Mortgaged Property (other than money and Eligible Obligations held by the Trustee pursuant to Section 9.03) and shall execute and deliver to the Company such deeds and other instruments (in form and substance reasonably satisfactory to the Trustee) as, in the judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence such release and quitclaim and the satisfaction and discharge of this Indenture.

SECTION 9.03. APPLICATION OF TRUST MONEY.

Neither the Eligible Obligations nor the money deposited pursuant to Section 9.01, nor the principal or interest payments on any such Eligible Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Bonds or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 7.03; provided, however, that any cash received from such principal or interest payments on such Eligible Obligations, if not then needed for such purpose, shall, to the extent practicable and upon Company Request and delivery to the Trustee of the documents referred to in subclause (y) of clause (c) in Section 9.01, be invested pursuant to a Company Order in Eligible Obligations of the type described in clause (b) in Section 9.01 maturing at such times and in such amounts as shall be sufficient, together with any other moneys and the proceeds of any other Eligible Obligations then held by the Trustee, to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Bonds or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company as received, free and clear of the lien of this Indenture, except the lien provided by Section 11.07; and provided, further, that any moneys held in accordance with this Section on the Maturity of all such Bonds in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Bonds shall be paid over to the Company free and clear of the lien of this Indenture, except the lien provided by Section 11.07; and provided, further, that if an Event of Default shall have occurred and be continuing, moneys to be paid over to the Company pursuant to this Section shall be retained by the Trustee and constitute Mortgaged Property until such Event of Default shall have been waived or cured.

ARTICLE X

EVENTS OF DEFAULT; REMEDIES

SECTION 10.01. EVENTS OF DEFAULT.

“**Event of Default**”, wherever used herein with respect to the Bonds, means any of the following events which shall have occurred and be continuing:

(a) the failure to pay interest, if any, on any Bond within sixty (60) days after the same becomes due and payable; provided, however, that no such default shall constitute an “Event of Default” if the Company has made a valid extension of the interest payment period with respect to the Bonds of such series, of which such Bond is a party, if so provided as contemplated by Section 3.01; or

(b) the failure to pay the principal of or sinking fund installment, if any, or premium, if any, on any Bond within three (3) Business Days after the same becomes due and payable; provided, however, that no such default shall constitute an “Event of Default” if the Company has made a valid extension of the Maturity of the Bonds of the series, of which such Bond is a part, if so provided as contemplated by Section 3.01; or

(c) the failure to perform or breach of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically dealt with) for a period of ninety (90) days after there has been given, by registered or certified mail, return receipt requested, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Bonds not less than the principal amount of Bonds the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued; or

(d) the entry by a court having jurisdiction in the Mortgaged Property of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal or state bankruptcy, insolvency or other similar law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of ninety (90) consecutive days; or

(e) the commencement by the Company of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by the Company to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against the Company, or the filing by the Company of a petition or answer or consent seeking reorganization or relief under any applicable federal or state bankruptcy, insolvency or other similar law, or the consent by the Company to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by the Company of a general assignment for the benefit of creditors, or an admission in writing by the Company of its inability to pay its debts generally as they become due; or

(f) the occurrence of any event of default as defined in any mortgage, indenture or instrument under which there may be issued, or by which there may be secured or evidenced, any Debt of the Company, whether such Debt exists on the Execution Date or shall thereafter be created, if such event of default:

(i) is caused by a failure to pay principal after final maturity of such Debt after the expiration of the grace period provided in such Debt (a “**Payment Default**”), or

(ii) results in the acceleration of such Debt prior to its express maturity,

and in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$200,000,000 or more; provided, however, that, anything in this Indenture to the contrary notwithstanding, if such event of default is cured or waived or any such acceleration rescinded, or such Debt is repaid, within a period of twenty (20) days from the continuation of such event of default beyond the applicable grace period or the occurrence of such acceleration, as the case may be, such Event of Default under this Indenture shall be automatically cured; provided, further, that with respect to any mortgage, indenture or instrument that exists on the Execution Date, this Section 10.01(f) only applies to the extent that the obligations to pay amounts thereunder are enforceable after the Effective Date.

For purposes of Section 10.01(f), the amount of \$200,000,000 shall be increased in any calendar year subsequent to 2020 by the same percentage increase in the CPI Index for the period commencing January 1, 2020 and ending on January 1 of the applicable calendar year.

SECTION 10.02. ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT.

If an Event of Default shall have occurred and be continuing, then in every such case the Trustee or the Holders of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount (or, if any

of the Bonds are Discount Bonds, such portion of the principal amount of such Bonds as may be specified in the terms thereof as contemplated by Section 3.01) of all Bonds then Outstanding to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon such declaration such principal amount (or specified amount), together with premium, if any, and accrued interest, if any, thereon, shall become immediately due and payable; provided, however, that with respect to an Event of Default described in Section 10.01(d) or (e), the principal amount (or, if any of the Bonds are Discount Bonds, such portion of the principal amount of such Bonds as may be specified in the terms thereof as contemplated by Section 3.01) of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or Holders.

At any time after such a declaration of acceleration of the Maturity of the Bonds then Outstanding shall have been made, but before any sale of any of the Mortgaged Property has been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as provided in this Article, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act and notwithstanding anything to the contrary in Section 316(a) of the Trust Indenture Act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

(a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay

(i) all overdue interest, if any, on all Bonds then Outstanding;

(ii) the principal of and premium, if any, on any Bonds then Outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds; and

(iii) all amounts due to the Trustee under Section 11.07; and

(b) any other Event or Events of Default, other than the non-payment of the principal of Bonds which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 10.17.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 10.03. ENTRY UPON MORTGAGED PROPERTY.

If an Event of Default shall have occurred and be continuing, the Company, upon demand of the Trustee (acting at the written direction by the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding) and if and to the extent permitted by law, shall forthwith surrender to the Trustee the actual possession of, and the Trustee, by such officers or agents as it may appoint, may enter upon and take possession of, the Mortgaged Property; and the Trustee (or its nominee) may hold, operate and manage the Mortgaged Property and make all needful repairs and such renewals, replacements, betterments and improvements as to the Trustee (acting at the written direction by the Holders of at least a majority in aggregate principal amount

of the Bonds then Outstanding) shall seem prudent; and the Trustee may receive the rents, issues, profits, revenues and other income of the Mortgaged Property, to the extent, if any, that the same shall not then constitute Excepted Property; and, after deducting the costs and expenses of entering, taking possession, holding, operating and managing the Mortgaged Property, as well as payments for insurance and taxes and other proper charges upon the Mortgaged Property prior to the lien of this Indenture and reasonable compensation to itself, its agents and counsel, the Trustee may apply the same as provided in Section 10.07. Whenever all that is then due in respect of the principal of and premium, if any, and interest, if any, on the Bonds and under any of the terms of this Indenture shall have been paid and all defaults hereunder shall have been cured or shall have been waived as provided in Section 10.17, the Trustee shall surrender possession of the Mortgaged Property to the Company.

SECTION 10.04. POWER OF SALE; SUITS FOR ENFORCEMENT.

If an Event of Default shall have occurred and be continuing, the Trustee, by such officers or agents as it shall appoint, with or without entry, in its discretion may, subject to the provisions of Section 10.16 and if and to the extent permitted by law:

(a) sell, subject to any mandatory requirements of applicable law, the Mortgaged Property as an entirety, or in such parcels as the Holders of a majority in principal amount of the Bonds then Outstanding shall in writing request, or in the absence of such request, as the Trustee may determine, to the highest bidder at public auction at such place and at such time (which sale may be adjourned by the Trustee from time to time in its discretion by announcement at the time and place fixed for such sale, without further notice) and upon such terms as the Trustee may fix and briefly specify in a notice of sale to be published once in each week for four successive weeks prior to such sale in an Authorized Publication in each Place of Payment for the Bonds of each series; or

(b) proceed to protect and enforce its rights and the rights of the Holders of Bonds under this Indenture by sale pursuant to judicial proceedings or by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of any power granted in this Indenture or for the foreclosure of this Indenture or for the enforcement of any other legal, equitable or other remedy.

SECTION 10.05. INCIDENTS OF SALE.

Upon any sale of any of the Mortgaged Property, whether made under the power of sale hereby given or pursuant to judicial proceedings, to the extent permitted by law:

(a) the principal amount (or, if any of the Bonds are Discount Bonds, such portion of the principal amount of such Bonds as may be specified in the terms thereof as contemplated by Section 3.01) of all Outstanding Bonds, if not previously due, shall at once become and be immediately due and payable, together with premium, if any, and accrued interest, if any, thereon;

(b) any Holder or Holders of Bonds or the Trustee may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and

possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Bonds or claims for interest thereon in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Bonds, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(c) the Trustee may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(d) the Trustee is hereby irrevocably appointed the true and lawful attorney of the Company, in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property so sold; and for that purpose it may execute all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more persons, firms or corporations with like power, the Company hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but, if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request;

(e) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Company of, in and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against the Company, its successors and assigns, and against any and all persons claiming or who may claim the property sold or any part thereof from, through or under the Company; and

(f) the receipt of the Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representatives shall not, after paying such purchase money and receiving such receipt, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or non-application thereof.

SECTION 10.06. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

If an Event of Default described in clause (a) or (b) of Section 10.01 shall have occurred and be continuing, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Bonds with respect to which such Event of Default shall have occurred, the whole amount then due and payable on such Bonds for principal and premium, if any, and interest, if any, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 11.07.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final

decree and may enforce the same against the Company or any other obligor upon such Bonds and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Bonds, wherever situated.

The Trustee shall, to the extent permitted by law, be entitled to sue and recover judgment as aforesaid either before, during or after the pendency of any proceedings for the enforcement of the lien of this Indenture, and in case of a sale of the Mortgaged Property or any part thereof and the application of the proceeds of sale as aforesaid, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon the Bonds then Outstanding for principal, premium, if any, and interest, if any, for the benefit of the Holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon any of the Mortgaged Property or any other property of the Company shall affect or impair the lien of this Indenture upon the Mortgaged Property or any part thereof or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the Holders of the Bonds.

SECTION 10.07. APPLICATION OF MONEY COLLECTED.

Any money collected by the Trustee pursuant to this Article, including any rents, issues, profits, revenues and other income collected pursuant to Section 10.03 (after the deductions therein provided) and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents and counsel, and any taxes, assessments or Liens prior to the lien of this Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, and any money collected by the Trustee under Section 8.06, together with, in the case of an entry or sale or as otherwise provided herein, any other sums then held by the Trustee as part of the Mortgaged Property, shall be applied in the following order, to the extent permitted by law, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee under Section 11.07;

Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and premium, if any, and interest, if any, in respect of which or for the benefit of which such money has been collected; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest, if any, thereon without any preference or priority, ratably according to the aggregate amount so due and unpaid, with any balance then remaining to the payment of premium, if any, and, if so specified as contemplated by Section 3.01 with respect to the Bonds of any series, or any Tranche thereof, interest, if any, on overdue premium, if any, and overdue interest, if any, ratably as aforesaid, all to the extent permitted by applicable law; provided, however, that any money collected by the Trustee pursuant to Section 8.06 in respect of interest or pursuant

to Section 10.03 shall first be applied to the payment of interest accrued on the principal of Outstanding Bonds; and

Third: To the payment of the remainder, if any, to the Company or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 10.08. RECEIVER.

If an Event of Default shall have occurred and, during the continuance thereof, the Trustee shall have commenced judicial proceedings to enforce any right under this Indenture, the Trustee shall, to the extent permitted by law, be entitled, as against the Company, without notice or demand and without regard to the adequacy of the security for the Bonds or the solvency of the Company, to the appointment of a receiver of the Mortgaged Property.

SECTION 10.09. TRUSTEE MAY FILE PROOFS OF CLAIM.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Bonds or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise, to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 11.07) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 11.07.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 10.10. TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF BONDS.

All rights of action and claims under this Indenture or on the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be

brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

SECTION 10.11. LIMITATION ON SUITS.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default;
- (b) the Holders of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
- (c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and
- (e) no direction inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Holders of at least a majority in aggregate principal amount of the Bonds then Outstanding;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other of such Holders or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 10.12. UNCONDITIONAL RIGHT OF HOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST.

Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 3.07) interest, if any, on such Bond on the Stated Maturity or Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 10.13. RESTORATION OF RIGHTS AND REMEDIES.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had been instituted.

SECTION 10.14. RIGHTS AND REMEDIES CUMULATIVE.

Except as otherwise provided in the last paragraph of Section 3.06, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Anything in this Article to the contrary notwithstanding, the availability of the remedies set forth herein (on an individual or cumulative basis) and the procedures set forth herein relating to the exercise thereof shall be subject to (a) the law (including, for purposes of this paragraph, general principles of equity) of any jurisdiction wherein the Mortgaged Property or any part thereof is located to the extent that such law is mandatorily applicable and (b) the rights of any Senior Lienholder and, if and to the extent that any provision of this Article conflicts with any provision of such applicable law and/or with the rights of such Senior Lienholder such provision of law and/or the rights of such holder shall control.

SECTION 10.15. DELAY OR OMISSION NOT WAIVER.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 10.16. CONTROL BY HOLDERS OF BONDS.

If an Event of Default shall have occurred and be continuing, the Holders of not less than a majority in principal amount of the Bonds then Outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee hereunder; provided, however, that

(a) such direction shall not be in conflict with any rule of law or with this Indenture, and could not involve the Trustee in personal liability in circumstances where indemnity would not, in the Trustee's sole discretion, be adequate, and

-
- (b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 10.17. WAIVER OF PAST DEFAULTS.

Before any sale of any of the Mortgaged Property and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as in this Article provided, the Holders of not less than a majority in principal amount of the Bonds then Outstanding may on behalf of the Holders of all the Bonds then Outstanding waive any past default hereunder and its consequences, except a default in the payment of the principal of or premium, if any, or interest, if any, on any Bond Outstanding, or in respect of a covenant or provision hereof which under Section 14.02 cannot be modified or amended without the consent of the Holder of each Outstanding Bond of any series or Tranche affected.

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 10.18. UNDERTAKING FOR COSTS.

The Company and the Trustee agree, and each Holder of Bonds by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than ten percent (10%) in aggregate principal amount of the Bonds then Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium, if any, or interest, if any, on any Bond on or after the Stated Maturity or Maturities expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

SECTION 10.19. WAIVER OF APPRAISEMENT AND OTHER LAWS.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisement, valuation, stay, extension or redemption law, now or hereafter in effect, in order to prevent or hinder the enforcement of this Indenture or the absolute sale of the Mortgaged Property, or any part thereof, or the possession thereof, or any part thereof, by any purchaser at any sale under this Article; and the Company, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Company, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the Mortgaged Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose the lien of this Indenture may order the sale of the Mortgaged Property as an entirety.

In addition, and without limiting the generality of the foregoing, the Company, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, the benefits and protections of Sections 2924, 2924b and 2924c of the California Civil Code and Section 726(a) of the California Code of Civil Procedure, and any amendments thereto or replacements thereof.

ARTICLE XI

THE TRUSTEE

SECTION 11.01. CERTAIN DUTIES AND RESPONSIBILITIES.

Except during the continuance of an Event of Default,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(b) In case an Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct or its own bad faith, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken, omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds, as provided herein, relating to the

time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 11.02. NOTICE OF DEFAULTS.

Within ninety (90) days after the occurrence of any default hereunder, the Trustee shall transmit to all Holders notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest, if any, on any Bond, or in the payment of any sinking fund installment with respect to a Bond, the Trustee shall be protected in withholding such notice if and so long as the board of directors, executive committee or a trust committee of directors or a Responsible Officer of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders; provided, further, that, in the case of any default of the character specified in Section 10.01(c), no such notice to Holders shall be given until at least sixty (60) days after the occurrence thereof. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

The Trustee shall not be deemed to have knowledge of any default specified in Section 10.01(c), 10.01(d), 10.01(e) or 10.01(f) hereunder unless and until a Responsible Officer shall have received written notice thereof at its Corporate Trust Office. In the absence of actual knowledge or written notice, the Trustee may conclusively assume that no such default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with Bonds issued hereunder, or as to the existence of a default or Event of Default hereunder.

SECTION 11.03. CERTAIN RIGHTS OF TRUSTEE.

Subject to the provisions of Section 11.01 and to the applicable provisions of the Trust Indenture Act:

(a) the Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or as otherwise expressly provided herein, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is specifically prescribed herein) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) be entitled to examine, during normal business hours, the books, records and Mortgaged Property of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee shall not be personally liable, in case of entry by it upon the Mortgaged Property, for debts contracted or liabilities or damages incurred in the prudent management or operation of the Mortgaged Property;

(i) the Trustee shall not be liable for any action taken, suffered, or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(j) in no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(k) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder;

(l) the Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture;

(m) beyond the exercise of reasonable care in the custody thereof, the Trustee shall not have any duty as to any Mortgaged Property in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Trustee shall not be responsible for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or Liens granted under this Indenture or any agreement or instrument contemplated hereby or thereby, (ii) the filing, re-filing, recording, re-recording or continuing or any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iii) providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to any of the Mortgaged Property. The actions described in items (i) through (iii) shall be the sole responsibility of the Company. The Trustee shall be deemed to have exercised reasonable care in the custody of the Mortgaged Property in its possession if the Mortgaged Property is accorded treatment substantially equal to that which it accords its own property and shall not be liable or responsible for any loss or diminution in the value of any of the Mortgaged Property, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Trustee in good faith;

(n) the Trustee shall not be responsible for the existence, genuineness or value of any of the Mortgaged Property or for the validity, perfection, priority or enforceability of the Liens in any of the Mortgaged Property, whether impaired by operation of law or by reason of any of any action or omission to act on its part hereunder, for the validity or sufficiency of the Mortgaged Property or any agreement or assignment contained therein, for the validity of the title to the Mortgaged Property, for insuring the Mortgaged Property or for the payment of taxes, charges, assessments or Liens upon the Mortgaged Property or otherwise as to the maintenance of the Mortgaged Property. The Trustee hereby disclaims any representation or warranty to the present and future holders of the Obligations concerning the perfection of the Liens granted hereunder or in the value of any of the Mortgaged Property; and

(o) in the event that the Trustee is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in such Trustee's sole discretion may cause the Trustee to be considered an "owner or operator" under any environmental laws or otherwise cause the Trustee to incur, or be exposed to, any environmental liability or any liability under any other federal, state or local law, the Trustee reserves the right, instead of taking such action, either to resign as Trustee or to arrange for the transfer of the title or control of the asset

to a court appointed receiver. The Trustee will not be liable to any person for any environmental liabilities and costs or any environmental liabilities or contribution actions under any federal, state or local law, rule or regulation by reason of the Trustee's actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment.

SECTION 11.04. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF BONDS OR APPLICATION OF PROCEEDS.

The recitals contained herein and in the Bonds (except the Trustee's certificate of authentication on the Bonds) shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Mortgaged Property or any part thereof, or as to the title of the Company thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Company of the Bonds or the proceeds thereof or of any money paid to the Company or upon Company Order under any provision hereof. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Bonds or the proceeds thereof. The Trustee shall have no responsibility to make or to see to the making of any recording, filing or registration of any instrument or notice (including any tax or securities form) (or any rerecording, refiling or reregistration of any thereof) at any time in any public office or elsewhere for the purpose of perfecting, maintaining the perfection of or otherwise making effective the lien of this Indenture or for any other purpose and shall have no responsibility for seeing to the insurance on the Mortgaged Property or for paying any taxes relating to the Mortgaged Property or for otherwise maintaining the Mortgaged Property, including, but not limited to, attending to any environmental matters in respect thereof or disposing of any hazardous or other wastes located thereon.

SECTION 11.05. MAY HOLD BONDS.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Bond Registrar or any other agent of the Company or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds and, subject to Sections 11.08 and 11.13, may otherwise deal with the Company with the same rights it would have if it were not such Trustee, Authenticating Agent, Paying Agent, Bond Registrar or other agent.

SECTION 11.06. MONEY HELD IN TRUST.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law or as otherwise provided in the Indenture. The Trustee shall be under no liability for interest on or investment of any money received by it hereunder (provided that the Trustee has invested such money in accordance with a Company Order) except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company.

SECTION 11.07. COMPENSATION AND REIMBURSEMENT.

The Company agrees

(a) to pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except to the extent that any such expense, disbursement or advance may be attributable to its negligence, willful misconduct or bad faith; and

(c) to indemnify the Trustee (which for purposes of this Section shall include its officers, directors, employees and agents) and hold it harmless from and against any loss, liability or expense reasonably incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the exercise or performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

As security for the performance of the obligations of the Company under this Section 11.07, the Trustee shall have a lien secured by this Indenture prior to the Bonds upon the Mortgaged Property and upon all other property and funds held or collected by the Trustee as such, other than property and funds held in trust (i) for the payment of principal, premium, if any, and interest on the Bonds or (ii) under Section 9.03 (except moneys payable to the Company as provided in Section 9.03). "Trustee" for purposes of this Section shall include any predecessor Trustee; provided, however, that the negligence or willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

In addition and without prejudice to the rights provided to the Trustee under any of the provisions of this Indenture, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 10.01(d) or Section 10.01(e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section shall survive the termination of this Indenture and the resignation or removal of the Trustee.

SECTION 11.08. DISQUALIFICATION; CONFLICTING INTERESTS.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. For purposes of Section 310(b)(1) of the Trust Indenture Act and to the

extent permitted thereby, the Trustee, in its capacity as trustee in respect of the Bonds of any series, shall not be deemed to have a conflicting interest arising from its capacity as trustee in respect of the Bonds of any other series.

SECTION 11.09. CORPORATE TRUSTEE REQUIRED; ELIGIBILITY.

There shall at all times be a Trustee hereunder which shall be

(i) a corporation organized and doing business under the laws of the United States, any state or territory thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by federal or state authority, or

(ii) if and to the extent permitted by the Commission by rule, regulation or order upon application, a corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least Fifty Million Dollars (\$50,000,000) or the Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 11.10. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 11.11.

(b) The Trustee may resign at any time by giving 30 days prior written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 11.11 shall not have been delivered to the Trustee within thirty (30) days after the effectiveness of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Bonds then Outstanding delivered to the Trustee and to the Company 30 days prior to the effectiveness of such removal.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 11.08 after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, or

(ii) the Trustee shall cease to be eligible under Section 11.09 or Section 310(a) of the Trust Indenture Act and shall fail to resign after written request therefor by the Company or by any such Holder, or

(iii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company by a Board Resolution may remove the Trustee or (y) subject to Section 10.18, any Holder who has been a bona fide Holder for at least six (6) months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated in clause (y) in subsection (d) of this Section), the Company, by a Board Resolution, shall take prompt steps to appoint a successor Trustee or Trustees and shall comply with the applicable requirements of Section 11.11. If, within one (1) year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Bonds then Outstanding delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 11.11, become the successor Trustee and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 11.11, the Holders of at least 10% in aggregate principal amount of the then Outstanding Bonds may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) So long as no event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, if the Company shall have delivered to the Trustee (i) a Board Resolution appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 11.11, the Trustee shall be deemed to have resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 11.11, all as of such date, and all other provisions of this Section and Section 11.11 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid (or, in the case of Global Bonds in accordance with the Depositary's customary policies and procedures), to all Holders as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its Corporate Trust Office.

SECTION 11.11. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

(a) In case of the appointment hereunder of a successor Trustee, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee. Such retiring Trustee shall execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien provided for in Section 11.07.

(b) Upon request of any such successor Trustee, the Company shall execute any instruments which fully vest in and confirm to such successor Trustee all rights, powers and trusts referred to in subsection (a) of this Section.

(c) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 11.12. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

SECTION 11.13. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.

If the Trustee shall be or become a creditor of the Company or any other obligor upon the Bonds (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company or such other obligor.

SECTION 11.14. CO-TRUSTEES AND SEPARATE TRUSTEES.

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Mortgaged Property may at the time be located, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding, the Company shall for such purpose join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee and, if no Event of Default shall have occurred and be continuing, by the Company either to act as co-trustee, jointly with the Trustee, of all or any part of the Mortgaged Property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within fifteen (15) days after the receipt by it of a request so to do, or if an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument or instruments from the Company be required by any co-trustee or separate trustee so appointed to more fully confirm to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following conditions:

- (i) the Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee;
- (ii) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed either by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee;
- (iii) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, if an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the

Trustee in the execution and delivery of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(iv) neither the Trustee nor any co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(v) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 11.15. APPOINTMENT OF AUTHENTICATING AGENT.

The Trustee may appoint an Authenticating Agent or Agents with respect to the Bonds of one or more series, or any Tranche thereof, which shall be authorized to act on behalf of the Trustee to authenticate Bonds of such series or Tranche issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 3.06, and Bonds so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Bonds by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States, any state or territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than Fifty Million Dollars (\$50,000,000) and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an

Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

The provisions of Sections 3.08, 11.04 and 11.05 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Bonds of one or more series, or any Tranche thereof, shall be made pursuant to this Section, the Bonds of such series or Tranche may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication substantially in the following form:

This is one of the Bonds of the series designated therein referred to in the within-mentioned Indenture.

_____, as Trustee

By _____
As Authenticating Agent

By _____
Authorized Officer

If all of the Bonds of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Bonds upon original issuance located in a Place of Payment where the Company wishes to have Bonds of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 1.04 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Bonds.

ARTICLE XII

LISTS OF HOLDERS; REPORTS BY TRUSTEE AND COMPANY

SECTION 12.01. LISTS OF HOLDERS.

Semiannually, not less than 45 days nor more than 60 days after June 1 and December 1 in each year, commencing December 1, 2020, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee, information as to the names and addresses of the Holders as of a date no more than fifteen (15) days prior to the date such information is so furnished, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Bond Registrar.

SECTION 12.02. REPORTS BY TRUSTEE AND COMPANY.

Not later than July 15 in each year, commencing July 15, 2021, the Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Bonds are listed a report, dated as of the next preceding May 15, with respect to any events and other matters described in Section 313(a) of the Trust Indenture Act, in such manner and to the extent required by the Trust Indenture Act. The Trustee shall transmit to the Holders, the Commission and each securities exchange upon which any Bonds are listed, and the Company shall file with the Trustee (within thirty (30) days after filing with the Commission in the case of reports which pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and cause to be transmitted to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust Indenture Act. Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates). The Company shall notify the Trustee in writing of the listing of any Bonds on any securities exchange.

ARTICLE XIII

CONSOLIDATION, MERGER, CONVEYANCE OR OTHER TRANSFER

SECTION 13.01. COMPANY MAY CONSOLIDATE, ETC., ONLY ON CERTAIN TERMS.

The Company shall not consolidate with or merge with or into any other Person, or convey, or otherwise transfer, or lease, subject to the lien of this Indenture, all or substantially all of the Mortgaged Property to any Person, unless:

(a) the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or other transfer, or which leases, all or

substantially all of the Mortgaged Property shall be a corporation, shall be organized and existing under the laws of the United States, any state thereof or the District of Columbia (such corporation being hereinafter sometimes called the “**Successor Corporation**”) and shall execute and deliver to the Trustee an indenture supplemental hereto, in form recordable and reasonably satisfactory to the Trustee, which:

(i) in the case of a consolidation, merger, conveyance or other transfer, or in the case of a lease if the term thereof extends beyond the last Stated Maturity of the Bonds then Outstanding, contains an assumption by the Successor Corporation of the due and punctual payment of the principal of and premium, if any, and interest, if any, on all the Bonds then Outstanding and the performance and observance of every covenant and condition of this Indenture to be performed or observed by the Company, and

(ii) contains a grant, conveyance, transfer and mortgage by the Successor Corporation, of the same tenor of the Granting Clauses herein,

(A) confirming the lien of this Indenture on the Mortgaged Property (as constituted immediately prior to the time such transaction became effective) and subjecting to the lien of this Indenture all property (other than Excepted Property), real, personal and mixed, thereafter acquired by the Successor Corporation which shall constitute an improvement, extension or addition to the Mortgaged Property (as so constituted) or a renewal, replacement or substitution of or for any part thereof, and, at the election of the Successor Corporation,

(B) subjecting to the lien of this Indenture such property, real, personal or mixed, in addition to the property described in subclause (A) above, then owned or thereafter acquired by the Successor Corporation as the Successor Corporation shall, in its sole discretion, specify or describe therein, and the lien confirmed or created by such grant, conveyance, transfer and mortgage shall have force, effect and standing similar to those which the lien of this Indenture would have had if the Company had not been a party to such consolidation, merger, conveyance or other transfer and had itself, after the time such transaction became effective, purchased, constructed or otherwise acquired the property subject to such grant, conveyance, transfer and mortgage;

(b) in the case of a lease, such lease shall be made expressly subject to termination by the Company at any time during the continuance of an Event of Default, and also by the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or pursuant to judicial proceedings;

(c) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company as a result of such transaction as having been incurred by the Company at the time of such transaction, no Default or Event of Default shall have occurred and be continuing; and

(d) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that the merger, consolidation, conveyance, lease or transfer, as the case may be, fully complies with all provisions of this Indenture; provided, however, that the delivery of such an Officer's Certificate and Opinion of Counsel shall not be required with respect to any merger, consolidation, conveyance, transfer or lease between the Company and any of its wholly-owned Subsidiaries.

Notwithstanding the foregoing, the Company may merge or consolidate with or transfer all or substantially all of its assets to an Affiliate that has no significant assets or liabilities and was formed solely for the purpose of changing the jurisdiction of organization of the Company or the form of organization of the Company or for the purpose of forming a holding company; provided that the amount of indebtedness of the Company is not increased thereby; and provided, further that the successor assumes all obligations of the Company under this Indenture.

As used in this Article and in Section 8.10(d), the terms "improvement", "extension" and "addition" shall be limited to (a) with respect to real property subject to the lien of this Indenture, any item of personal property which has been so affixed or attached to such real property as to be regarded a part of such real property under applicable law and (b) with respect to personal property subject to the lien of this Indenture, any improvement, extension or addition to such personal property which (i) is made to maintain, renew, repair or improve the function of such personal property and (ii) is physically installed in or affixed to such personal property.

SECTION 13.02. SUCCESSOR CORPORATION SUBSTITUTED.

Upon any consolidation or merger or any conveyance or other transfer, subject to the Lien of this Indenture, of all or substantially all of the Mortgaged Property in accordance with Section 13.01, the Successor Corporation shall succeed to, and be substituted for, and may exercise every power and right of, the Company under this Indenture with the same effect as if such Successor Corporation had been named as the "Company" herein. Without limiting the generality of the foregoing:

(a) all property of the Successor Corporation then subject to the lien of this Indenture, of the character described in Section 1.03, shall constitute Property Additions;

(b) the Successor Corporation may execute and deliver to the Trustee, and thereupon the Trustee shall, subject to the provisions of Article V, authenticate and deliver, Bonds upon any basis provided in Article V; and

(c) the Successor Corporation may, subject to the applicable provisions of this Indenture, cause Property Additions to be applied to any other Authorized Purpose.

All Bonds so executed by the Successor Corporation, and authenticated and delivered by the Trustee, shall in all respects be entitled to the benefit of the lien of this Indenture equally and ratably with all Bonds executed, authenticated and delivered prior to the time such consolidation, merger, conveyance or other transfer became effective.

In case of any such consolidation, merger, sale, conveyance or lease, changes in phraseology and form may be made in the Bonds thereafter to be issued and the documentation thereafter to be delivered hereunder as may be appropriate to reflect such occurrence.

SECTION 13.03. EXTENT OF LIEN HEREOF ON PROPERTY OF SUCCESSOR CORPORATION.

Unless, in the case of a consolidation, merger, conveyance or other transfer contemplated by Section 13.01, the indenture supplemental hereto contemplated in clause (a) in Section 13.01, or any other indenture, contains a grant, conveyance, transfer and mortgage by the Successor Corporation as described in subclause (B) thereof, neither this Indenture nor such supplemental indenture shall become or be, or be required to become or be, a Lien upon any of the properties:

(a) owned by the Successor Corporation or any other party to such transaction (other than the Company) immediately prior to the time of effectiveness of such transaction or

(b) acquired by the Successor Corporation at or after the time of effectiveness of such transaction,

except, in either case, Mortgaged Property acquired from the Company in or as a result of such transaction and, to the extent not constituting Excepted Property, improvements, extensions and additions to such properties and renewals, replacements and substitutions of or for any part or parts thereof.

SECTION 13.04. RELEASE OF COMPANY UPON CONVEYANCE OR OTHER TRANSFER.

In the case of a conveyance or other transfer to any Person or Persons as contemplated in Section 13.01, upon the satisfaction of all the conditions specified in Section 13.01, the Company (such term being used in this Section without giving effect to such transaction) shall be released and discharged from all obligations and covenants under this Indenture and on and under all Bonds then Outstanding (unless the Company shall have delivered to the Trustee an instrument in which it shall waive such release and discharge) and the Trustee shall acknowledge in writing that the Company has been so released and discharged.

SECTION 13.05. MERGER INTO COMPANY; EXTENT OF LIEN HEREOF.

(a) Nothing in this Indenture shall be deemed to prevent or restrict any consolidation or merger after the consummation of which the Company would be the surviving or resulting company or any conveyance or other transfer, or lease, subject to the lien of this Indenture (unless otherwise expressly provided herein), of any part of the Mortgaged Property which does not constitute the entirety, or substantially the entirety, thereof.

(b) Unless, in the case of a consolidation or merger described in subsection (a) of this Section, an indenture supplemental hereto shall otherwise provide, this Indenture shall not become or be, or be required to become or be, a Lien upon any of the properties acquired by the Company in or as a result of such transaction or any improvements, extensions or additions to such properties or any renewals, replacements or substitutions of or for any part or parts thereof.

ARTICLE XIV
SUPPLEMENTAL INDENTURES

SECTION 14.01. SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF HOLDERS.

Without the consent of any Holders, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto for any of the following purposes:

- (a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Bonds, all as provided in Article XIII; or
- (b) to add one or more covenants of the Company or other provisions for the benefit of all Holders or for the benefit of the Holders of, or to remain in effect only so long as there shall be Outstanding, Bonds of one or more specified series, or one or more specified Tranches thereof; or to surrender any right or power herein conferred upon the Company; or
- (c) to correct or amplify the description of any property at any time subject to the lien of this Indenture; or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture; or to subject to the lien of this Indenture additional property (including property of Persons other than the Company); or
- (d) to specify any additional Permitted Liens with respect to such additional property and to modify Section 8.02 in order to specify therein any additional items with respect to such additional property; or
- (e) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Bonds of any series or Tranche in any material respect, such change, elimination or addition shall become effective with respect to such series or Tranche only when no Bond of such series or Tranche remains Outstanding; or
- (f) to establish the form or terms of Bonds of any series or Tranche as contemplated by Sections 2.01 and 3.01; or
- (g) to evidence and provide for the acceptance of appointment hereunder by a separate or successor Trustee with respect to the Bonds of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 11.11(b); or
- (h) to provide for the procedures required to permit the Company to issue, at its option, all or any series or Tranche of, the Bonds as uncertificated securities; or

(i) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Bonds, or any Tranche thereof, shall be payable, (2) all or any series of Bonds, or any Tranche thereof, may be surrendered for registration of transfer, (3) all or any series of Bonds, or any Tranche thereof, may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of Bonds, or any Tranche thereof, and this Indenture may be served; or

(j) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein; or to make any other additions to, deletions from or other changes to the provisions under this Indenture, provided that such additions, deletions and/or other changes shall not adversely affect the interests of the Holders of Bonds of any series or Tranche in any material respect; or

(k) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act, or under any similar federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the date as of which this instrument was executed or any corresponding provision in any similar federal statute hereafter enacted; or

(l) in connection with the occurrence of the Lien Effective Date under Section 4.01, to amend (including to amend and restate) this Indenture to effectuate the lien of this Indenture on the Mortgaged Property; or

(m) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the discharge of any series of Bonds pursuant to Section 9.02; provided that any such action shall not adversely affect the interests of the Holders of Bonds of such series or any other series of Bonds in any material respect; or

(n) to comply with the rules or regulations of any securities exchange or automated quotation system on which any of the Bonds may be listed or traded or of any applicable securities depository.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the Execution Date, or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the date of the execution and delivery hereof or at any time thereafter, are required by the Trust Indenture Act to be contained herein or are contained herein to reflect any provisions of the Trust Indenture Act as in effect at such date, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to amend this Indenture to effect such changes or elimination.

SECTION 14.02. SUPPLEMENTAL INDENTURES WITH CONSENT OF HOLDERS.

Subject to the provisions of Section 14.01, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company and the Trustee, the Company and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, this Indenture; provided, however, that if there shall be Bonds of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Bond of each series or Tranche so directly affected:

(a) except as otherwise specified in the form or terms of the Bonds of any series as permitted by Sections 2.01 and 3.01 with respect to extending the Stated Maturity of any Bond of such series, change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Bond, or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or change the method of calculating such rate or reduce any premium payable thereon, or reduce the amount of the principal of any Discount Bond that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 10.02, or change the coin or currency (or other property), in which any Bond or premium, if any, or interest, if any, thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Maturity of any Bond, without, in any such case, the consent of the Holder of such Bond; or

(b) permit the creation of any Lien (not otherwise permitted hereby) ranking prior to the lien of this Indenture with respect to all or substantially all of the Mortgaged Property, or terminate the lien of this Indenture on all or substantially all of the Mortgaged Property or deprive the Holders of the benefit of the lien of this Indenture; or

(c) reduce the percentage in principal amount of the Outstanding Bonds of any series, or any Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 15.04 for quorum or voting; or

(d) modify any of the provisions of this Section, Section 7.09 or Section 10.17 with respect to the Bonds of any series or any Tranche thereof (except to increase the percentages in principal amount referred to in this Section or such other Sections or to provide that other provisions of this Indenture cannot be modified or waived without the consent of the Holders of all Bonds of such series or Tranche) without, in any such case, the consent of the Holder of each Outstanding Bond of such series or Tranche; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to “the Trustee” and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Section 14.01(g).

A supplemental indenture which (x) changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Holders of, or which is to remain in effect only so long as there shall be Outstanding, Bonds of one or more specified series, or one or more Tranches thereof, or (y) modifies the rights of the Holders of Bonds of such series or Tranches with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Bonds of any other series or Tranche.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

Anything in this Indenture to the contrary notwithstanding, if the Officer’s Certificate, supplemental indenture or Board Resolution, as the case may be, establishing the Bonds of any series or Tranche shall provide that the Company may make certain specified additions, changes or eliminations to or from the Indenture which shall be specified in such Officer’s Certificate, supplemental indenture or Board Resolution establishing such series or Tranche, (a) the Holders of Bonds of such series or Tranche shall be deemed to have consented to a supplemental indenture containing such additions, changes or eliminations to or from the Indenture which shall be specified in such Officer’s Certificate, supplemental indenture or Board Resolution establishing such series or Tranche, (b) no Act of such Holders shall be required to evidence such consent and (c) such consent may be counted in the determination of whether or not the Holders of the requisite principal amount of Bonds shall have consented to such supplemental indenture.

SECTION 14.03. EXECUTION OF SUPPLEMENTAL INDENTURES.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 11.01) shall be fully protected in relying upon, an Officer’s Certificate and Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee’s own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 14.04. EFFECT OF SUPPLEMENTAL INDENTURES.

Upon the execution and delivery of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

SECTION 14.05. CONFORMITY WITH TRUST INDENTURE ACT.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

SECTION 14.06. REFERENCE IN BONDS TO SUPPLEMENTAL INDENTURES.

Bonds of any series, or any Tranche thereof, authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Bonds of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Bonds of such series or Tranche.

SECTION 14.07. MODIFICATION WITHOUT SUPPLEMENTAL INDENTURE.

To the extent, if any, that the terms of any particular series of Bonds shall have been established in or pursuant to a Board Resolution or an Officer's Certificate pursuant to a supplemental indenture or a Board Resolution as contemplated by Section 3.01, and not in a supplemental indenture, additions to, changes in or the elimination of any of such terms may be effected by means of a supplemental Board Resolution or a supplemental Officer's Certificate, as the case may be, delivered to, and accepted by, the Trustee; provided, however, that such supplemental Board Resolution or supplemental Officer's Certificate shall not be accepted by the Trustee or otherwise be effective unless all conditions set forth in this Indenture which would be required to be satisfied if such additions, changes or elimination were contained in a supplemental indenture shall have been appropriately satisfied. Upon the acceptance thereof by the Trustee, any such supplemental Board Resolution or supplemental Officer's Certificate shall be deemed to be a "supplemental indenture" for purposes of Section 14.04 and 14.06 and a "supplemental indenture", "indenture supplemental" to this Indenture or "instrument" supplemental to this Indenture for purposes of Section 7.08.

ARTICLE XV

MEETINGS OF HOLDERS; ACTION WITHOUT MEETING

SECTION 15.01. PURPOSES FOR WHICH MEETINGS MAY BE CALLED.

A meeting of Holders of Bonds of one or more, or all, series, or any Tranche or Tranches thereof, may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Bonds of such series or Tranches.

SECTION 15.02. CALL, NOTICE AND PLACE OF MEETINGS.

(a) The Trustee may at any time call a meeting of Holders of Bonds of one or more, or all, series, or any Tranche or Tranches thereof, for any purpose specified in Section 15.01, to be held at such time and (except as provided in subsection (b) of this Section) at such place as the Trustee shall determine with the approval of the Company. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 1.08, not less than twenty-one (21) nor more than one hundred eighty (180) days prior to the date fixed for the meeting.

(b) The Trustee may be asked to call a meeting of the Holders of Bonds of one or more, or all, series, or any Tranche or Tranches thereof, by the Company or by the Holders of at least twenty-five percent (25%) in aggregate principal amount of all of such series and Tranches, considered as one class, for any purpose specified in Section 15.01, by written request setting forth in reasonable detail the action proposed to be taken at the meeting. If the Trustee shall have been asked by the Company to call such a meeting, the Company shall determine the time and place for such meeting and may call such meeting by giving notice thereof in the manner provided in subsection (a) of this Section, or shall direct the Trustee, in the name and at the expense of the Company, to give such notice. If the Trustee shall have been asked to call such a meeting by Holders in accordance with this subsection (b), and the Trustee shall not have given the notice of such meeting within twenty-one (21) days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Holders of Bonds of such series and Tranches, in the principal amount above specified, may determine the time and the place for such meeting, such place to be approved by the Company, and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Bonds of one or more, or all, series, or any Tranche or Tranches thereof, shall be valid without notice if the Holders of all Outstanding Bonds of such series or Tranches are present in person or by proxy and if representatives of the Company and the Trustee are present, or if notice is waived in writing before or after the meeting by the Holders of all Outstanding Bonds of such series, or any Tranche or Tranches thereof, or by such of them as are not present at the meeting in person or by proxy, and by the Company and the Trustee.

SECTION 15.03. PERSONS ENTITLED TO VOTE AT MEETINGS.

To be entitled to vote at any meeting of Holders of Bonds of one or more, or all, series, or any Tranche or Tranches thereof, a Person shall be (a) a Holder of one or more Outstanding Bonds of such series or Tranches or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Bonds of such series or Tranches by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Bonds of any series or Tranche shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 15.04. QUORUM; ACTION.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Bonds of the series and Tranches with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Bonds of such series and Tranches; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Bonds of such series and Tranches, considered as one class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Bonds of such series and Tranches, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Bonds of such series and Tranches, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 15.05(e), notice of the reconvening of any meeting adjourned for more than thirty (30) days shall be given as provided in Section 1.08 not less than ten (10) days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Bonds of such series and Tranches which shall constitute a quorum.

Except as limited by Section 14.02, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds of the series and Tranches with respect to which such meeting shall have been called, considered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Bonds of such series and Tranches, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Bonds of such series and Tranches, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Bonds duly held in accordance with this Section shall be binding on all the Holders of Bonds of the series and Tranches with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 15.05. ATTENDANCE AT MEETINGS; DETERMINATION OF VOTING RIGHTS; CONDUCT AND ADJOURNMENT OF MEETINGS.

(a) Attendance at meetings of Holders of Bonds may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Bonds with respect to which it was given unless and until specifically revoked by the Holder or future Holder (except as provided in Section 1.06(g)) of such Bonds before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Bonds in regard to proof of the holding of such Bonds and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations and approved by the Company, the holding of Bonds shall be proved in the manner specified in Section 1.06 and the appointment of any proxy shall be proved in the manner specified in Section 1.06. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 1.06 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 15.02(b), in which case the Company or the Holders of Bonds of the series and Tranches calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Bonds of all series and Tranches represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each One Thousand Dollars (\$1,000) principal amount of Outstanding Bonds held or represented by such Holder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Bond challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Bond or proxy.

(e) Any meeting duly called pursuant to Section 15.02 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Bonds of all series and Tranches represented at the meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 15.06. COUNTING VOTES AND RECORDING ACTION OF MEETINGS.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers (or CUSIP numbers in the case of Global Bonds) of the Outstanding Bonds, of the series and Tranches with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two (2) inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to such record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that such notice was given as provided in Section 15.02 and, if applicable, Section 15.04. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 15.07. ACTION WITHOUT MEETING.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or taken by Holders by one or more written instruments as provided in Section 1.06.

ARTICLE XVI**IMMUNITY OF INCORPORATORS, STOCKHOLDERS,
OFFICERS AND DIRECTORS****SECTION 16.01. LIABILITY SOLELY CORPORATE.**

No recourse shall be had for the payment of the principal of or premium, if any, or interest, if any, on any Bonds, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Bonds are solely corporate obligations and that no personal liability whatsoever shall attach to, or be incurred by, any incorporator, stockholder, member, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or indirectly through the Company or any predecessor or successor corporation, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Bonds or to be implied herefrom or therefrom; and such personal liability, if any, is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution and delivery of this Indenture and the issuance of the Bonds.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

PACIFIC GAS AND ELECTRIC COMPANY,
as Issuer (Mortgagor)

By: /s/ Margaret K. Becker
Name: Margaret K. Becker
Title: Senior Director and Treasurer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Trustee (Mortgagee)

By: /s/ Tamara Klement-Ellis
Name: Tamara Klement-Ellis
Title: Director

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
 }
COUNTY OF SAN FRANCISCO }

On May 21, 2020, before me, Jolie F. Ocampo, personally appeared Margaret K. Becker, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

/s/ Jolie Franchesca Ocampo

Signature

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF FLORIDA }
 }
COUNTY OF DUVAL }

On April 28, 2020, before me, Cynthia M. Moore, personally appeared Tamara Klement-Ellis, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

/s/ Cynthia M. Moore _____

(Seal)

SCHEDULE 1

FORM OF EXPERT'S CERTIFICATE UNDER SECTION 5.02

EXPERT'S CERTIFICATE AS TO PROPERTY ADDITIONS

This Expert's Certificate as to Property Additions ("Certificate") is being executed and delivered by [NAME OF EXPERT], as [POSITION OR TITLE OF EXPERT], and by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with the proposed issuance of [DESCRIPTION OF PROPOSED BOND ISSUE] in the aggregate principal amount of \$ (the "New Bonds") under Section 5.02 of that certain Indenture of Mortgage, dated as of , 20 , by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certify as to each of the following items in accordance with and as required pursuant to Section 5.02(b)(ii) of the Indenture:

1. The Property Additions designated by the Company to be made the basis for the authentication and delivery of the New Bonds are described as follows (the "Designated Property Additions"):

[DESCRIBE PROPERTY ADDITIONS]

2. All Designated Property Additions constitute Property Additions.
3. The Cost of the Designated Property Additions is \$.
4. [THE DESIGNATED PROPERTY ADDITIONS ARE SUBJECT TO A SENIOR LIEN SECURING SENIOR LIEN OBLIGATIONS. THE OUTSTANDING PRINCIPAL AMOUNT OF PURCHASE MONEY LIENS WHICH CONSTITUTE SENIOR LIEN OBLIGATIONS IS \$ AS OF THE DATE OF THIS CERTIFICATE. THE OUTSTANDING PRINCIPAL AMOUNT OF ALL OTHER SENIOR LIEN OBLIGATIONS IS \$ AS OF THE DATE OF THIS CERTIFICATE.]
5. The Net Cost of the Designated Property Additions is \$.
6. All Designated Property Additions are desirable for use in the conduct of the business, or one of the businesses, of the Company.
7. All Designated Property Additions, to the extent of the Property Additions Basis thereof which is to be made the basis of the authentication and delivery of the New Bonds, constitute, prior to the issuance of the New Bonds, Unfunded Property.
8. [NO PORTION OF THE DESIGNATED PROPERTY ADDITIONS WAS ACQUIRED, MADE OR CONSTRUCTED THROUGH THE DELIVERY OF SECURITIES OR

PROPERTY OTHER THAN CASH; THE AMOUNT OF CASH FORMING ALL OR PART OF THE COST THEREOF WAS EQUAL TO OR MORE THAN \$.] OR [A PORTION OR ALL OF THE DESIGNATED PROPERTY ADDITIONS WAS ACQUIRED, MADE OR CONSTRUCTED THROUGH THE DELIVERY OF SECURITIES OR PROPERTY OTHER THAN CASH (SUCH PORTION BEING REFERRED TO HEREIN AS THE “NON-CASH DESIGNATED PROPERTY ADDITIONS”). THE AMOUNT OF CASH FORMING ALL OR PART OF THE COST OF DESIGNATED PROPERTY ADDITIONS OTHER THAN NON-CASH DESIGNATED PROPERTY ADDITIONS WAS EQUAL TO OR MORE THAN \$. WITH RESPECT TO NON-CASH DESIGNATED PROPERTY ADDITIONS, THE FOLLOWING IS A BRIEF DESCRIPTION OF THE NON-CASH DESIGNATED PROPERTY ADDITIONS, THE SECURITIES OR OTHER PROPERTY DELIVERED IN PAYMENT FOR THE ACQUISITION OR CONSTRUCTION THEREOF, THE DATE OF SUCH DELIVERY AND, IN THE JUDGMENT OF THE UNDERSIGNED, THE FAIR MARKET VALUE IN CASH OF SUCH SECURITIES OR OTHER PROPERTY AT THE TIME OF DELIVERY THEREOF:

	NON-CASH PROPERTY	DESIGNATED ADDITIONS	SECURITIES OR PROPERTY DELIVERED:	DATE OF DELIVERY:	FAIR MARKET VALUE:
9.	[NO PORTION OF THE DESIGNATED PROPERTY ADDITIONS INCLUDES PROPERTY WHICH CONSTITUTES AN ACQUIRED FACILITY.] OR [A PORTION OF THE DESIGNATED PROPERTY ADDITIONS INCLUDES PROPERTY WHICH CONSTITUTES AN ACQUIRED FACILITY AND IS DESCRIBED AS FOLLOWS (THE “ACQUIRED FACILITY PORTION”): [DESCRIBE THE ACQUIRED FACILITY PORTION]. IN THE JUDGMENT OF THE UNDERSIGNED, THE FAIR VALUE TO THE COMPANY OF THE ACQUIRED FACILITY PORTION AS OF THE DATE OF THIS CERTIFICATE [IS/IS NOT] A DE MINIMIS AMOUNT.]				
10.	In the judgment of the undersigned, the Fair Value to the Company, as of the date of this Certificate, of the Designated Property Additions (except that portion of the Designated Property Additions with respect to the Fair Value to the Company of which a statement is being made in an Independent Expert’s Certificate) is \$.				
11.	The Net Fair Value to the Company, as of the date of this Certificate, of the Designated Property Additions is \$.				
12.	The Designated Property Additions are subject to Liens of the character described in clause (f) of the definition of Permitted Liens, and such Liens do not, in the judgment of the undersigned, materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company; the Designated Property Additions are subject to Liens of the character described in clause (j)(ii) of the definition of Permitted Liens, and such Liens do not, in the judgment of the undersigned, materially impair the use by the Company of such Mortgaged Property for				

the purposes for which it is held by the Company; and the Designated Property Additions are subject to Liens of the character described in clause (q) (ii) of the definition of Permitted Liens, and the enforcement of such Liens would not, in the judgment of the signers, adversely affect the interests of the Company in such property in any material respect.

13. The aggregate amount which shall be deducted under Section 1.03(b)(i) in respect of Funded Property Retired is equal to \$ and the aggregate amount which the Company has elected to be added under Section 1.03(b)(ii) in respect of Funded Property Retired is \$ (which amount to be added does not exceed the amount to be deducted above). Attached hereto as Annex 1 are the calculations which have been made by the Company pursuant to Section 1.03(b)(i) and (ii).
14. The Adjusted Property Additions Basis of the Designated Property Additions is \$.
15. Seventy percent (70%) of the Adjusted Property Additions Basis stated in Item 14 above is equal to \$.
16. The aggregate principal amount of New Bonds to be authenticated and delivered on the basis of the Designated Property Additions is equal to \$ which amount does not exceed the amount stated in Item 15 above.

[Name of Expert] hereby further certifies as follows:

- (a) I have read Section 5.02(b)(ii) of the Indenture and the related definitions of defined terms appearing in said Section 5.02(b)(ii).
- (b) The statements or opinions I have expressed herein are based upon my examination/investigation of [LIST OR DESCRIBE THE NATURE AND SCOPE OF THE EXAMINATION OR INVESTIGATION UPON WHICH THE STATEMENTS OR OPINIONS ARE BASED];
- (c) In my opinion, I have made such examination or investigation as is necessary to enable me to express an informed opinion as to whether or not the Company has complied with the requirements of Section 5.02(b)(ii) of the Indenture.
- (d) In my opinion, the Company has complied with the requirements of Section 5.02(b)(ii) of the Indenture.

Witness our hands this day of , 2 .

[Signature of Expert]

Name:

Title:

[Signature of Authorized Officer]

Name:

Title:

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CALCULATIONS PURSUANT TO SECTION 1.03(B)

- A. Deductions under Section 1.03(b)(i):
Funded Property Basis of all Funded Property Retired as described under Section 1.03(b)(i) of the Indenture: \$
- B. Additions under Section 1.03(b)(ii):
- (1) Principal amount of Purchase Money Obligations described under Section 1.03(b)(ii)(A) of the Indenture: \$
 - (2) 10/7ths of amount of cash described under Section 1.03(b)(ii)(B) of the Indenture: \$
 - (3) 10/7ths of the principal amount of any Bond or Bonds or portion of such principal amount described under Section 1.03(b)(ii)(C) of the Indenture: \$
 - (4) Adjusted Funded Property Basis of Property Additions described under Section 1.03(b)(ii)(D) of the Indenture: \$
 - (5) Net Cost to the Company of any Property Additions described under Section 1.03(b)(ii)(E) of the Indenture: \$
- C. Total of all amounts under Item B. above: \$
- D. If amount in Item C. above is equal to or greater than the amount in Item A. above, then the net adjustment to be made to the Property Additions Basis under Section 1.03(b) shall be equal to zero (0). If the amount in Item C. above is less than the amount in Item A. above, then the net adjustment to be made to the Property Additions Basis under Section 1.03(b) shall be a reduction in an amount equal to the difference between the amount in Item A. above and the amount in Item C. above.

SCHEDULE 2

FORM OF EXPERT'S CERTIFICATE UNDER SECTION 8.03(c)

EXPERT'S CERTIFICATE AS TO RELEASE OF FUNDED PROPERTY

This Expert's Certificate as to Release of Funded Property ("Certificate") is being executed and delivered by [NAME OF EXPERT], as [POSITION OR TITLE OF EXPERT], and by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with certain Funded Property described below to be released pursuant to Section 8.03 of that certain Indenture of Mortgage, dated as of [], 2020, by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certify as to each of the following items in accordance with and as required pursuant to Section 8.03(c) of the Indenture:

1. The Funded Property to be released from the lien of the Indenture is described as follows (the "Release Property"):

[DESCRIBE FUNDED PROPERTY]

2. The Fair Value, in the judgment of the undersigned, of the Release Property, together with the Fair Value, in the judgment of the undersigned, of Unfunded Property, if any, being released concurrently with the Release Property is \$.
3. The Funded Property Basis of the Release Property is \$.
4. In the judgment of the undersigned, the release of the Release Property will not impair the security under the Indenture in contravention of the provisions thereof.

[NAME OF EXPERT] hereby further certifies as follows:

- a. I have read Section 8.03(c) of the Indenture and the related definitions of defined terms appearing in said Section 8.03(c).
- b. The statements or opinions I have expressed herein are based upon my examination/investigation of [LIST OR DESCRIBE THE NATURE AND SCOPE OF THE EXAMINATION OR INVESTIGATION UPON WHICH THE STATEMENTS OR OPINIONS ARE BASED].
- c. In my opinion, I have made such examination or investigation as is necessary to enable me to express an informed opinion as to whether or not the Company has complied with the requirements of Section 8.03(c) of the Indenture.
- d. In my opinion, the Company has complied with the requirements of Section 8.03(c) of the Indenture.

[Signature of Expert]

Name:

Title:

[Signature of Authorized Officer]

Name:

Title:

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SCHEDULE 3

FORM OF OFFICER'S CERTIFICATE UNDER SECTION 8.03(d)

OFFICER'S CERTIFICATE PURSUANT TO SECTION 8.03(d)

This Officer's Certificate Pursuant to Section 8.03(d) ("Certificate") is being executed and delivered by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with the release of certain Funded Property described in that certain Expert's Certificate as to Release of Funded Property dated [THE DATE HEREOF] (the "Expert's Certificate") pursuant to Section 8.03 of that certain Indenture of Mortgage, dated as of [], 2020, by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certifies, as required pursuant to Section 8.03(d) of the Indenture, as follows:

1. The amount of the Funded Property Basis of the Release Property is \$, as shown in the Expert's Certificate.
2. The taxes and expenses incidental to the sale, exchange, dedication or other disposition of Release Property total \$.
3. The aggregate amount of the Cash Deposit Credit Items to be used as the basis for the release of the Release Property is \$, which amount has been calculated as follows:
 - A. \$: Aggregate principal amount of Purchase Money Obligations delivered to Trustee and secured by Purchase Money Liens upon the Release Property;
 - B. \$; [ADJUSTED PROPERTY ADDITIONS BASIS/PROPERTY ADDITIONS BASIS] of Property Additions which constitute Unfunded Property described in the attached Expert's Certificate as to Property Additions [IF APPLICABLE, ATTACH EXPERT'S CERTIFICATE BASED ON THE FORM ATTACHED AS SCHEDULE 1 TO THE INDENTURE];
 - C. \$; 10/7ths of aggregate principal amount of Bonds the right to the authentication and delivery of which, under Section 5.03, has been waived by the Company;
 - D. \$; 10/7ths of the aggregate amount of Outstanding Bonds delivered to the Trustee.

-
4. The Cash Deposit Amount to be delivered to the Trustee is \$, which amount is equal to the Funded Property Basis stated in Item 1, less the amount stated in Item 2, and less the aggregate amount of the Cash Deposit Credit Items stated in Item 3.

Witness my hand this day of , 2 .

[Signature of Authorized Officer]

Name:

Title:

SCHEDULE 4

FORM OF EXPERT'S CERTIFICATE UNDER SECTION 8.04(c)

EXPERT'S CERTIFICATE AS TO RELEASE OF UNFUNDED PROPERTY

This Expert's Certificate as to Release of Unfunded Property ("Certificate") is being executed and delivered by [NAME OF EXPERT], as [POSITION OR TITLE OF EXPERT], and by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with certain Unfunded Property described below to be released pursuant to Section 8.04(c) of that certain Indenture of Mortgage, dated as of , 20 , by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certify as to each of the following items in accordance with and as required pursuant to Section 8.04(c) of the Indenture:

1. The Unfunded Property to be released from the lien of the Indenture is described as follows (the "Release Property"):

[DESCRIBE UNFUNDED PROPERTY]

2. The Fair Value, in the judgment of the undersigned, of the Release Property, together with the Fair Value, in the judgment of the undersigned, of Funded Property, if any, being released concurrently with the Release Property is \$.
3. [THE RELEASE PROPERTY IS SUBJECT TO A SENIOR LIEN SECURING SENIOR LIEN OBLIGATIONS. THE OUTSTANDING PRINCIPAL AMOUNT OF PURCHASE MONEY LIENS WHICH CONSTITUTE SENIOR LIEN OBLIGATIONS IS \$ AS OF THE DATE OF THIS CERTIFICATE. THE OUTSTANDING PRINCIPAL AMOUNT OF ALL OTHER SENIOR LIEN OBLIGATIONS IS \$ AS OF THE DATE OF THIS CERTIFICATE.]
4. The Net Fair Value of the Release Property is \$.
5. The Cost of the Release Property is \$ and the Net Cost of the Release Property is \$.
6. The Property Additions Basis of the Release Property is \$.
7. The Release Property constitutes Unfunded Property.
8. [THE AGGREGATE ADJUSTED PROPERTY ADDITIONS BASIS OF ALL PROPERTY ADDITIONS WHICH CONSTITUTE UNFUNDED PROPERTY (EXCLUDING THE RELEASE PROPERTY) IS NOT LESS THAN ZERO (0).] OR [THE AMOUNT BY WHICH ZERO (0) EXCEEDS THE AGGREGATE ADJUSTED

PROPERTY ADDITIONS BASIS OF ALL PROPERTY ADDITIONS WHICH CONSTITUTE UNFUNDED PROPERTY (EXCLUDING THE RELEASE PROPERTY) IS EQUAL TO \$ (THE “MAKE-UP AMOUNT”) AND IS CALCULATED AS SET FORTH ON ANNEX 1 ATTACHED HERETO AND THE AMOUNT IN CASH TO BE DEPOSITED WITH BY THE COMPANY, HELD BY THE TRUSTEE, AND CONSTITUTE MORTGAGED PROPERTY IS \$.]

9. In the judgment of the undersigned, the release of the Release Property will not impair the security under the Indenture in contravention of the provisions thereof.

[NAME OF EXPERT] hereby further certifies as follows:

- a. I have read Section 8.04(c) of the Indenture and the related definitions of defined terms appearing in said Section 8.04(c).
- b. The statements or opinions I have expressed herein are based upon my examination/investigation of [LIST OR DESCRIBE THE NATURE AND SCOPE OF THE EXAMINATION OR INVESTIGATION UPON WHICH THE STATEMENTS OR OPINIONS ARE BASED].
- c. In my opinion, I have made such examination or investigation as is necessary to enable me to express an informed opinion as to whether or not the Company has complied with the requirements of Section 8.04(c) of the Indenture.
- d. In my opinion, the Company has complied with the requirements of Section 8.04(c) of the Indenture.

Witness our hands this day of , 2 .

[Signature of Expert]

Name:
Title:

[Signature of Authorized Officer]

Name:
Title:

CALCULATION OF MAKE-UP AMOUNT UNDER SECTION 8.04(c)

1. Aggregate Property Additions Basis (lesser of Net Cost or Net Fair Value) of all Property Additions which constitute Unfunded Property: \$
2. Adjustments under Section 1.03(b): \$
3. Total Reduction to Property Additions Basis (Item 1 above) per the adjustments under Item 2 above: \$
4. Aggregate Adjusted Property Additions Basis (Item 1 less Item 3): \$
5. Make-up Amount (amount by which zero (0) exceeds Item 4 above): \$

SCHEDULE 5

FORM OF EXPERT'S CERTIFICATE UNDER SECTION 8.05(b)(ii)

EXPERT'S CERTIFICATE AS TO RELEASE OF PROPERTIES WITHIN ANNUAL LIMITS

This Expert's Certificate as to Release of Properties Within Annual Limits Pursuant to Section 8.05 ("Certificate") is being executed and delivered by [NAME OF EXPERT], as [POSITION OR TITLE OF EXPERT], and by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with certain property described below to be released pursuant to Section 8.05(b)(ii) of that certain Indenture of Mortgage, dated as of _____, 20____, by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certify as to each of the following items in accordance with and as required pursuant to Section 8.05(b)(ii) of the Indenture:

1. The property to be released from the lien of the Indenture is described as follows (the "Release Property"):

[DESCRIBE RELEASE PROPERTY]

2. The Fair Value, in the judgment of the undersigned, of the Release Property is \$ _____.
3. The aggregate Fair Value of all other property theretofore released pursuant to Section 8.05 in 20____ to date is \$ _____.
4. [INCLUDE ONLY IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY] [The Release Property is Funded Property.] [A portion of the Release Property is Funded Property.]
5. [INCLUDE ONLY IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY] [The Funded Property Basis of the Release Property that constitutes Funded Property is \$ _____.]
6. In the judgment of the undersigned, the release of the Release Property will not impair the security under the Indenture in contravention of the provisions thereof.
7. [INCLUDE ONLY IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY] [The statements or opinions we have expressed herein are based upon examination of and/or investigation into the matters covered by the Expert's Certificate or Certificates in which the Release Property has been designated as Funded Property for purposes of the Indenture and other records of the Company relating thereto.]

-
8. Each of the undersigned further certifies as follows:
9. (a) I have read Section 8.05(b)(ii) of the Indenture and the related definitions of defined terms appearing in said Section 8.05(b)(ii).
- (b) The statements or opinions I have expressed herein are also based upon my examination or investigation of records of the Company, including records relating to the Release Property and all other property released pursuant to Section 8.05 in 20 to date, and/or my review of information regarding such matters provided to me by responsible personnel within the Company operating at my direction or under my supervision.
- (c) In my opinion, I have made such examination or investigation as is necessary to enable me to express an informed opinion as to whether or not the Company has complied with the requirements of Section 8.05(b)(ii) of the Indenture.
10. (d) In my opinion, the Company has complied with the requirements of Section 8.05(b)(ii) of the Indenture.

Witness our hands this day of , 2 .

[Signature of Expert]

Name:

Title:

[Signature of Authorized Officer]

Name:

Title:

SCHEDULE 6

FORM OF OFFICER'S CERTIFICATE UNDER SECTION 8.08(B)

OFFICER'S CERTIFICATE AS TO RELEASE OF PROPERTIES TAKEN BY EMINENT DOMAIN, ETC.

This Officer's Certificate Pursuant to Section 8.08(b) ("Certificate") is being executed and delivered by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with the release of certain Mortgaged Property taken by exercise of the power of eminent domain or sold to an entity possessing the power of eminent domain under a threat to exercise the same pursuant to Section 8.08(b) of that certain Indenture of Mortgage, dated as of [], 2020 (the "Indenture"), by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certifies, as required pursuant to Section 8.08(b) of the Indenture, as follows:

1. The Mortgaged Property to be released from the lien of the Indenture is described as follows (the "Release Property"):

[DESCRIBE RELEASE PROPERTY]

2. The amount of net proceeds received or to be received for the Release Property is \$
3. [INCLUDE ONLY IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY] [The Release Property is Funded Property.] [A portion of the Release Property is Funded Property.] [IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY, COMPLETE EXPERT'S CERTIFICATE PURSUANT TO SECTION 8.08(c).]
4. [INCLUDE ONLY IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY] The Company has deposited cash in the amount of \$ on the date hereof with the Trustee (the "Cash Deposit Amount").^{1 2}
5. [INCLUDE ONLY IF RELEASE PROPERTY CONSTITUTES FUNDED PROPERTY] The Cash Deposit Amount has not previously been applied by the Company as a credit against any other deposit of cash required to be made by the Company under the Indenture.

¹ Note: The Cash Deposit Amount shall be reduced by the amount it exceeds the portion of the net proceeds received or to be received for such Release Property which is allocable on a pro-rata or other reasonable basis to the portion of such Release Property constituting Funded Property. To the extent the Cash Deposit Amount is reduced pursuant to this instruction, include the amount and reason for such reduction.

² Note: The Cash Deposit Amount shall be reduced by the amount of cash or other consideration that has been delivered to or otherwise deposited with a holder of a Senior Lien securing Senior Lien Obligations in accordance with the provisions of such Senior Lien. To the extent the Cash Deposit Amount is reduced pursuant to this instruction, include the amount and reason for such reduction.

Witness my hand this day of , 2 .

[Signature of Authorized Officer]

Name:
Title:

FORM OF EXPERT'S CERTIFICATE UNDER SECTION 8.08(c)

EXPERT'S CERTIFICATE AS TO RELEASE OF PROPERTIES TAKEN BY EMINENT DOMAIN, ETC.

This Expert's Certificate Pursuant to Section 8.08(c) ("Certificate") is being executed and delivered by [NAME OF EXPERT], as [POSITION OR TITLE OF EXPERT], and by [NAME OF AUTHORIZED OFFICER], as [TITLE OF AUTHORIZED OFFICER] of Pacific Gas and Electric Company (the "Company"), in connection with certain property described below to be released pursuant to Section 8.08(c) of that certain Indenture of Mortgage, dated as of [], 2020 (the "Indenture"), by and between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). All capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings assigned to such terms in the Indenture.

The undersigned hereby certify as to each of the following items in accordance with and as required pursuant to Section 8.08(c) of the Indenture:

1. The Funded Property to be released from the lien of the Indenture is described as follows (the "Release Property"):

[DESCRIBE FUNDED PROPERTY]

2. The Funded Property Basis of the Release Property is \$.
3. [The statements or opinions we have expressed herein are based upon examination of and/or investigation into the matters covered by the Expert's Certificate or Certificates in which the Release Property has been designated as Funded Property for purposes of the Indenture and other records of the Company relating thereto.]
4. In the judgment of the undersigned, the release of the Release Property will not impair the security under the Indenture in contravention of the provisions thereof.
5. [NAME OF EXPERT] hereby further certifies as follows:
 - a. I have read Section 8.08(c) of the Indenture and the related definitions of defined terms appearing in said Section 8.08(c).
 - b. The statements or opinions I have expressed herein are based upon my examination/investigation of [LIST OR DESCRIBE THE NATURE AND SCOPE OF THE EXAMINATION OR INVESTIGATION UPON WHICH THE STATEMENTS OR OPINIONS ARE BASED].
 - c. In my opinion, I have made such examination or investigation as is necessary to enable me to express an informed opinion as to whether or not the Company has complied with the requirements of Section 8.08(c) of the Indenture.
 - d. In my opinion, the Company has complied with the requirements of Section 8.08(c) of the Indenture.

Witness our hands this day of , 2 .

[Signature of Expert]

Name:
Title:

[Signature of Authorized Officer]

Name:
Title:

Exhibit A

Legal Descriptions of Real Property Owned in Fee and Other Interests in Real Property

Exhibit A

Exhibit B-1

Environmental Remediation Sites

Exhibit B-1

Exhibit B-2

General Office Property

Exhibit B-2

Exhibit B-3

Hydro Property

Exhibit B-3

Exhibit B-4

Mitigation Property

Exhibit B-4

Exhibit B-5

Surplus Property

Exhibit B-5

Exhibit B-6

Diablo Canyon Property

Exhibit B-6

TO BE RECORDED AND WHEN
RECORDED RETURN TO:

Hunton Andrews Kurth LLP
550 South Hope Street, Suite 2000
Los Angeles, CA 90071
Attention: Robert M. Johnson, Esq.

FIRST SUPPLEMENTAL INDENTURE

Dated as of June 19, 2020

SUPPLEMENT TO INDENTURE OF MORTGAGE

Dated as of June 19, 2020

**PACIFIC GAS AND ELECTRIC COMPANY
ISSUER (MORTGAGOR)**

AND

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
TRUSTEE (MORTGAGEE)**

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EXHIBIT A FORM OF FLOATING RATE FIRST MORTGAGE BOND DUE 2022

EXHIBIT B FORM OF 1.75% FIRST MORTGAGE BOND DUE 2022

EXHIBIT C FORM OF 2.10% FIRST MORTGAGE BOND DUE 2027

EXHIBIT D FORM OF 2.50% FIRST MORTGAGE BOND DUE 2031

EXHIBIT E FORM OF 3.30% FIRST MORTGAGE BOND DUE 2040

EXHIBIT F FORM OF 3.50% FIRST MORTGAGE BOND DUE 2050

FIRST SUPPLEMENTAL INDENTURE, dated as of June 19, 2020 (this “**First Supplemental Indenture**”), by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation (the “**Company**”), as Mortgagor, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association, as Trustee under the Mortgage Indenture (as hereinafter defined) and Mortgagee (the “**Trustee**”).

RECITALS OF THE COMPANY

A. The Company and the Trustee are parties to that certain Indenture of Mortgage, dated as of June 19, 2020 (together with all indentures supplemental thereto, the “**Mortgage Indenture**”), providing for the issuance by the Company of Bonds (as defined in the Mortgage Indenture) from time to time.

B. Under the Mortgage Indenture, the Company is authorized to issue unlimited series of Bonds and establish one or more series of Bonds at any time in accordance with the provisions of the Mortgage Indenture, and the terms of such series of Bonds may be described by a supplemental indenture executed by the Company and the Trustee.

C. Pursuant to Section 3.01 of the Mortgage Indenture, the Company and the Trustee deem it advisable to enter into this First Supplemental Indenture for the purposes of establishing the terms of six series of Bonds.

D. The execution and delivery of this First Supplemental Indenture has been authorized by a Board Resolution (as defined in the Mortgage Indenture).

E. Concurrent with the execution hereof, the Company has caused its counsel to deliver to the Trustee an Opinion of Counsel (as defined in the Mortgage Indenture) pursuant to Section 14.03 of the Mortgage Indenture.

F. The Company has done all things necessary to make this First Supplemental Indenture a valid agreement of the Company in accordance with its terms.

NOW, THEREFORE, the Company and the Trustee agree, for the benefit of each other and the equal and proportionate benefit of all Holders of the Bonds of the series established hereby, as follows:

ARTICLE I

DEFINITIONS

Unless the context otherwise requires, capitalized terms used but not defined herein have the meaning set forth in the Mortgage Indenture.

The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this First Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision.

The following additional definitions are hereby established for purposes of this First Supplemental Indenture and shall have the meanings set forth in this First Supplemental Indenture only for purposes of this First Supplemental Indenture:

“2022 Par Call Date” means June 16, 2021.

“2027 Par Call Date” means June 1, 2027.

“2031 Par Call Date” means November 1, 2030.

“2040 Par Call Date” means February 1, 2040.

“2050 Par Call Date” means February 1, 2050.

“Adjusted Treasury Rate” means, with respect to any Redemption Date and a series of Bonds, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the Redemption Date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

“Benchmark” means, initially, three-month U.S. dollar LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to three-month U.S. dollar LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

“Benchmark Replacement” means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if the Company (or the Designee) cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Company (or the Designee) as of the Benchmark Replacement Date:

- (1) the sum of (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (2) the sum of (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;
- (3) the sum of (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (4) the sum of (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; and

-
- (5) the sum of (a) the alternate rate of interest that has been selected by the Company (or the Designee) as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment.

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Company (or the Designee) as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Company (or the Designee) giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “interest period,” timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the interest period and other administrative matters) that the Company (or the Designee) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Company (or the Designee) decides that adoption of any portion of such market practice is not administratively feasible or if the Company (or the Designee) determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Company (or the Designee) determines is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; and
- (3) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

“Bonds of the Initial Series” means the Floating Rate Bonds, the 2022 Bonds, the 2027 Bonds, the 2031 Bonds, the 2040 Bonds and the 2050 Bonds.

“Calculation Agency Agreement” means the Calculation Agency Agreement, dated as of June 19, 2020, by and between the Calculation Agent and the Company, as such agreement may be amended, modified or supplemented from time to time.

“Calculation Agent” has the meaning set forth in Section 205(a).

“Comparable Treasury Issue” means, with respect to any Redemption Date and a series of Bonds, the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the applicable series of Bonds to be redeemed (assuming, for such purpose, that the 2022 Bonds matured on the 2022 Par Call Date, the 2027 Bonds matured on the 2027 Par Call Date, the 2031 Bonds matured on the 2031 Par Call Date, the 2040 Bonds matured on the 2040 Par Call Date and the 2050 Bonds matured on the 2050 Par Call Date (the “remaining term”)), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Redemption Date and a series of Bonds:

- (1) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or
- (2) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations so received.

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Company (or the Designee) in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if and to the extent that the Company (or the Designee) determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Company (or the Designee) giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time.

For the avoidance of doubt, the calculation of Compounded SOFR shall exclude the Benchmark Replacement Adjustment and the Margin.

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

“Designee” has the meaning set forth in Section 205(a).

“DTC” means The Depository Trust Company.

“Escrow Account” means the escrow account established pursuant to Section 3(a) of the Escrow Agreement.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A., as escrow agent under the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” means that certain Escrow Deposit and Disbursement Agreement, dated as of June 19, 2020, by and among the Company, the Escrow Agent and the Trustee.

“Escrow Conditions” means the conditions set forth in Section 5 of the Escrow Agreement that must be satisfied prior to the release of funds from the Escrow Account to the Company, other than for the purpose of paying the Special Redemption Price on the Special Redemption Date.

“Escrow Release Date” means the date, if any, when all the Escrow Conditions have been satisfied and funds held in the Escrow Account are released to the Company.

“Interest Determination Date” has the meaning set forth in Section 205.

“Interest Rate” has the meaning set forth in Section 205(a).

“Interpolated Benchmark” with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor, excluding the applicable ISDA Fallback Adjustment.

“LIBOR” means the three-month U.S. dollar London Interbank Offered Rate.

“London Business Day” means any day on which dealings in United States dollars are transacted on the London interbank market.

“Margin” has the meaning provided in Section 205(a).

“Mandatory Redemption Event” means the failure of the Escrow Release Date to occur on or before September 9, 2020.

“Original Issue Date” means June 19, 2020.

“Permitted Investments” means (a) cash and (b) U.S. Government Securities maturing no later than the Special Redemption Date.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company for the Bonds.

“Redemption Price” means (1) with respect to the Floating Rate Bonds, the price at which the Floating Rate Bonds may be redeemed pursuant to Section 209(b) hereto, (2) with respect to the 2022 Bonds, the price at which the 2022 Bonds may be redeemed pursuant to Section 308(a) or Section 308(b) hereto, as applicable, (3) with respect to the 2027 Bonds, the price at which the 2027 Bonds may be redeemed pursuant to Section 408(a) or Section 408(b) hereto, as applicable, (4) with respect to the 2031 Bonds, the price at which the 2031 Bonds may be redeemed pursuant to Section 508(a) or Section 508(b) hereto, as applicable, (5) with respect to the 2040 Bonds, the price at which the 2040 Bonds may be redeemed pursuant to Section 608(a) or Section 608(b) hereto, as applicable and (6) with respect to the 2050 Bonds, the price at which the 2050 Bonds may be redeemed pursuant to Section 708(a) or Section 708(b) hereto, as applicable.

“Redemption Trigger Date” means September 9, 2020.

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is three-month U.S. dollar LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not three-month U.S. dollar LIBOR, the time determined by the Company (or the Designee) in accordance with the Benchmark Replacement Conforming Changes.

“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC and (2) one other primary dealer in certain U.S. government securities selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

“Relevant Governmental Body” means the Federal Reserve Board and/or the NY Federal Reserve, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NY Federal Reserve or any successor thereto.

“Reuters Screen LIBOR01 Page” means the display designated on page “LIBOR01” on Reuters (or such other page as may replace the LIBOR01 page on that service or any successor service for the purpose of displaying LIBOR for U.S. dollar deposits of major banks).

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the NY Federal Reserve, as the administrator of the benchmark, or a successor administrator, on the website of the NY Federal Reserve at <http://www.newyorkfed.org>, or any successor source.

“Special Redemption” has the meaning provided in Section 801(c).

“Special Redemption Date” means the earlier of (a) September 14, 2020 or (b) any other earlier Business Day selected by the Company and set forth in the notice of redemption, with respect to a Special Redemption, given to the Holders in accordance with Section 6.04 of the Mortgage Indenture.

“**Special Redemption Price**” means, with respect to each series of Bonds, an amount of cash equal to 101% of the principal amount of the Bonds of such series to be redeemed on the Special Redemption Date plus accrued and unpaid interest thereon, if any, to, but not including, the Special Redemption Date.

“**Term SOFR**” means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement, excluding the Benchmark Replacement Adjustment.

“**U.S. Government Securities**” means any:

- (1) security which is (i) a direct obligation of the United States for the payment of which the full faith and credit of the United States is pledged or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which, in the case of clause (i) or (ii), is not callable or redeemable at the option of the issuer of the obligation; and
- (2) depositary receipt issued by a bank (as defined in the Securities Act) as custodian with respect to any security specified in clause (a) above and held by such bank for the account of the holder of such depositary receipt or with respect to any specific payment of principal of or interest on any such security held by any such bank, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of interest on or principal of the U.S. Government Securities evidenced by such depositary receipt.

ARTICLE II

ESTABLISHMENT OF FLOATING RATE FIRST MORTGAGE BONDS DUE 2022

SECTION 201 Establishment and Designation of the Floating Rate Bonds.

Pursuant to the terms hereof and Section 3.01 and Article V of the Mortgage Indenture, the Company hereby establishes the Bonds of the first series as the “Floating Rate First Mortgage Bonds due 2022” (“**Floating Rate Bonds**”). The Floating Rate Bonds may be reopened, from time to time, for issuances of additional Bonds of such series subject to the terms of Article V of the Mortgage Indenture, and any additional Bonds issued and comprising Floating Rate Bonds shall have identical terms as the Floating Rate Bonds, except that the issue price, issue date and, in some cases, the first Interest Payment Date may differ.

SECTION 202 Form of Floating Rate Bonds.

The Floating Rate Bonds shall be issued in the form of one or more Global Bonds in substantially the form set forth in Exhibit A.

SECTION 203 Principal Amount.

The Floating Rate Bonds shall be issued in an initial aggregate principal amount of \$500,000,000.

SECTION 204 Stated Maturity; Minimum Denominations.

The Floating Rate Bonds shall have a Stated Maturity of June 16, 2022.

The Floating Rate Bonds are issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 205 Interest.

(a) Except as set forth in this Section 205, the Floating Rate Bonds will bear interest for each interest period at a rate determined by the Calculation Agent (as defined below). The Calculation Agent is The Bank of New York Mellon Trust Company, N.A., until such time as the Company appoints a successor calculation agent (herein called the “**Calculation Agent**”, which term includes any successor Calculation Agent under the Mortgage Indenture). The interest rate for the Floating Rate Bonds (the “**Interest Rate**”) for a particular interest period will be a per annum rate equal to LIBOR as determined on the applicable Interest Determination Date (as defined below) by the Calculation Agent plus 1.48% (the “**Margin**”). The Interest Rate on the Floating Rate Bonds will be reset on the first day of each interest period other than the initial interest period (each an “**Interest Reset Date**”). Interest on the Floating Rate Bonds will be payable quarterly March 16, June 16, September 16 and December 16 of each year, beginning September 16, 2020. An interest period is the period commencing on an Interest Payment Date (or, in the case of the initial interest period, commencing on June 19, 2020) and ending on the day preceding the next Interest Payment Date.

The interest determination date for an interest period will be the second London Business Day preceding such interest period (the “**Interest Determination Date**”). Promptly upon determination, the Calculation Agent will inform the Trustee and the Company, or as set forth in this Section 205, the Company or its designee (which may be an independent financial advisor or such other designee of the Company (any of such entities, a “**Designee**”)) will inform the Trustee, of the Interest Rate for the next interest period. Absent manifest error, the determination of the Interest Rate by the Calculation Agent, or as set forth in this Section 205, by the Company (or the Designee), shall be binding and conclusive on the Holders of the Floating Rate Bonds, the Trustee and the Company. For the avoidance of doubt, in no event shall the Calculation Agent or the Trustee be the Designee.

In no event shall the Calculation Agent be responsible for determining any substitute for LIBOR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent shall be entitled to conclusively rely on any determinations made by the Company (or the Designee) and shall have no liability for such actions taken at the direction of the Company.

Any determination, decision or election that may be made by the Company (or the Designee) in connection with a Benchmark Transition Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Company's (or the Designee's) sole discretion, and, notwithstanding anything to the contrary herein, will become effective without consent from any other party. None of the Trustee or the Calculation Agent will have any liability for any determination made by or on behalf of the Company (or the Designee) in connection with a Benchmark Transition Event or a Benchmark Replacement.

On any Interest Determination Date, LIBOR will be the rate for deposits in United States dollars having a maturity of three months commencing on the first day of the applicable interest period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on that Interest Determination Date.

(b) Upon written request from any Holder of Floating Rate Bonds, the Calculation Agent will provide the Interest Rate in effect for the Floating Rate Bonds for the current interest period and, if it has been determined, the Interest Rate to be in effect for the next interest period.

(c) All percentages resulting from any calculation of any Interest Rate for the Floating Rate Bonds will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 8.986865% (or 0.08986865) being rounded to 8.98687% (or 0.0898687)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

(d) The Interest Rate on the Floating Rate Bonds will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States laws of general application. Additionally, the Interest Rate on the Floating Rate Bonds will in no event be lower than zero.

(e) Interest on the Floating Rate Bonds will accrue from June 19, 2020, or from the most recent Interest Payment Date to which interest has been paid or provided for. If any Interest Payment Date (other than the maturity date) falls on a date that is not a Business Day, the payment will be made on the next Business Day, except that if that Business Day is in the immediately succeeding calendar month, the interest payment will be made on the next preceding Business Day, in each case with interest accruing to the applicable Interest Payment Date (as so adjusted). If the maturity date of the Floating Rate Bonds falls on a day that is not a Business Day, then the related payment of principal and interest will be made on the next day that is a Business Day with the same effect as if made on the date that the payment was first due, and no interest will accrue on the amount so payable for the period from the maturity date. Interest on the Floating Rate Bonds will be calculated on the basis of the actual number of days in each quarterly interest period and a 360-day year.

(f) If LIBOR cannot be determined on the Interest Determination Date as described in Section 205(a), the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Company, to provide the Calculation Agent with its offered quotation for deposits in United States dollars for the period of three months, commencing on the first day of the applicable interest period, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative for a single transaction in United States dollars in that market at that time. If at least two quotations are provided, then LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York, on the Interest Determination Date by three major banks in The City of New York selected by the Company for loans in United States dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in United States dollars in that market at that time; provided that if the banks selected by the Company are not providing quotations in the manner described by this sentence, LIBOR will be the same as the rate determined for the immediately preceding Interest Reset Date or if there is no immediately preceding Interest Reset Date, LIBOR will be the same as the rate determined for the initial interest period.

(g) Notwithstanding Sections 205(e) and 205(f), if the Company (or the Designee) determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then current Benchmark, then (i) the Company shall promptly provide notice of such determination to the Calculation Agent and (ii) the provisions set forth in Section 205(h) will thereafter apply to all determinations, calculations and quotations made or obtained for the purposes of calculating the rate and amount of interest payable on the Floating Rate Bonds during the relevant interest period. In accordance with Section 205(h), after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the amount of interest that will be payable for each interest period on the Floating Rate Bonds will be an annual rate equal to the sum of the Benchmark Replacement and the Margin as determined by the Company or its Designee.

The foregoing notwithstanding, if the Company (or the Designee) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, but for any reason the Benchmark Replacement has not been determined as of the relevant Interest Determination Date, the Interest Rate for the applicable interest period will be equal to the Interest Rate on the last Interest Determination Date for the Floating Rate Bonds, as determined by the Company or its Designee.

The Calculation Agent will, upon the request of any holder of the Floating Rate Bonds, provide the Interest Rate then in effect with respect to the Floating Rate Bonds. All calculations made by the Calculation Agent in the absence of manifest error will be conclusive for all purposes and binding on the Company and the Holders of the Floating Rate Bonds.

(h) If the Company (or the Designee) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Floating Rate Bonds in respect of such determination on such date and all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Company (or the Designee) will have the right to make Benchmark Replacement Conforming Changes from time to time.

Any determination, decision, election or calculation that may be made by the Company (or the Designee) pursuant to this Section 205(h), including any determination with respect to tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the Company's (or the Designee's) sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Floating Rate Bonds, shall become effective without consent from the Holders of the Floating Rate Bonds or any other party.

SECTION 206 No Sinking Fund.

No sinking fund is provided for any of the Floating Rate Bonds.

SECTION 207 Paying Agent and Bond Registrar.

The Trustee is hereby appointed as initial Paying Agent and initial Bond Registrar for the Floating Rate Bonds. The Place of Payment of the Floating Rate Bonds shall be the Corporate Trust Office of the Trustee.

SECTION 208 Global Securities; Appointment of Depositary for Global Securities.

The Floating Rate Bonds shall be issued in the form of one or more permanent Global Bonds as provided in Section 3.14 of the Mortgage Indenture and deposited with, or on behalf of, the Depositary, or with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee. The Company hereby initially appoints DTC to act as the Depositary with respect to all Floating Rate Bonds, and the Floating Rate Bonds shall initially be registered in the name of Cede & Co., as the nominee of DTC.

The Company and DTC have executed a Blanket Letter of Representations, and the Trustee is hereby authorized, in connection with any successor nominee for DTC or any successor Depositary, to enter into appropriate or comparable arrangements, if necessary, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Mortgage Indenture.

None of the Company, the Trustee, any Paying Agent or any Bond Registrar will have any responsibility or liability for any aspect of Depositary records relating to, or payments made on account of, beneficial ownership interests in a Global Bond or for maintaining, supervising or reviewing any Depositary records relating to such beneficial ownership interests, or for transfers of beneficial interests in the Bonds or any transactions between the Depositary and beneficial owners.

SECTION 209 Optional Redemption.

(a) Prior to June 16, 2021, we may not redeem the Floating Rate Bonds.

(b) Subject to the terms and conditions of the Mortgage Indenture, Floating Rate Bonds are redeemable at the option of the Company, in whole or in part at any time on or after June 16, 2021 at a Redemption Price equal to 100% of the principal amount of the Floating Rate Bonds to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

(c) The Company shall calculate the Redemption Price for the redemption of any Floating Rate Bonds pursuant to Section 209(b), and notify the Trustee and, on or before the applicable Redemption Date, deposit with the Trustee or Paying Agent sufficient funds to pay the applicable Redemption Price for the Floating Rate Bonds to be redeemed on such Redemption Date.

(d) Notice of any redemption pursuant to Section 209(b) shall be given (i) to Holders of the Floating Rate Bonds in the manner set forth in Section 6.04 of the Mortgage Indenture and by e-mail to the Depositary and (ii) to the Trustee in accordance with Section 6.02 of the Mortgage Indenture.

SECTION 210 Other Terms of the Floating Rate Bonds.

The other terms of the Floating Rate Bonds shall be as expressly set forth herein and in Exhibit A.

ARTICLE III

ESTABLISHMENT OF 1.75% FIRST MORTGAGE BONDS DUE 2022

SECTION 301 Establishment and Designation of the 2022 Bonds.

Pursuant to the terms hereof and Section 3.01 and Article V of the Mortgage Indenture, the Company hereby establishes the Bonds of the second series as the “1.75% First Mortgage Bonds due 2022” (the “**2022 Bonds**”). The 2022 Bonds may be reopened, from time to time, for issuances of additional Bonds of such series subject to the terms of Article V of the Mortgage Indenture, and any additional Bonds issued and comprising 2022 Bonds shall have identical terms as the 2022 Bonds, except that the issue price, issue date and, in some cases, the first Interest Payment Date may differ.

SECTION 302 Form of 2022 Bonds.

The 2022 Bonds shall be issued in the form of one or more Global Bonds in substantially the form set forth in Exhibit B.

SECTION 303 Principal Amount.

The 2022 Bonds shall be issued in an initial aggregate principal amount of \$2,500,000,000.

SECTION 304 Interest Rate; Stated Maturity; Minimum Denominations.

The 2022 Bonds shall bear interest at the rate of 1.75% per annum and shall have a Stated Maturity of June 16, 2022.

The 2022 Bonds are issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 305 No Sinking Fund.

No sinking fund is provided for any of the 2022 Bonds.

SECTION 306 Paying Agent and Bond Registrar.

The Trustee is hereby appointed as initial Paying Agent and initial Bond Registrar for the 2022 Bonds. The Place of Payment of the 2022 Bonds shall be the Corporate Trust Office of the Trustee.

SECTION 307 Global Securities; Appointment of Depositary for Global Securities.

The 2022 Bonds shall be issued in the form of one or more permanent Global Bonds as provided in Section 3.14 of the Mortgage Indenture and deposited with, or on behalf of, the Depositary, or with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee. The Company hereby initially appoints DTC to act as the Depositary with respect to all 2022 Bonds, and the 2022 Bonds shall initially be registered in the name of Cede & Co., as the nominee of DTC.

The Company and DTC have executed a Blanket Letter of Representations, and the Trustee is hereby authorized, in connection with any successor nominee for DTC or any successor Depositary, to enter into appropriate or comparable arrangements, if necessary, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Mortgage Indenture.

None of the Company, the Trustee, any Paying Agent or any Bond Registrar will have any responsibility or liability for any aspect of Depositary records relating to, or payments made on account of, beneficial ownership interests in a Global Bond or for maintaining, supervising or reviewing any Depositary records relating to such beneficial ownership interests, or for transfers of beneficial interests in the 2022 Bonds or any transactions between the Depositary and beneficial owners.

SECTION 308 Optional Redemption.

(a) Subject to the terms and conditions of the Mortgage Indenture, 2022 Bonds are redeemable at the option of the Company, in whole or in part at any time after the Escrow Release Date and prior to the 2022 Par Call Date, at a Redemption Price equal to the greater of:

(i) 100% of the principal amount of the 2022 Bonds to be redeemed; or

(ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the 2022 Bonds to be redeemed that would be due if the 2022 Bonds matured on the 2022 Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 25 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date.

(b) Subject to the terms and conditions of the Mortgage Indenture, at any time on or after the 2022 Par Call Date, the 2022 Bonds are redeemable at the option of the Company in whole or in part at a Redemption Price equal to 100% of the principal amount of the 2022 Bonds to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

(c) The Redemption Price shall be calculated assuming a 360-day year consisting of twelve 30-day months.

(d) The Company shall calculate the Redemption Price for the redemption of any 2022 Bonds pursuant to Section 308(a) or Section 308(b), and notify the Trustee and, on or before the applicable Redemption Date, deposit with the Trustee or Paying Agent sufficient funds to pay the applicable Redemption Price for the 2022 Bonds to be redeemed on such Redemption Date.

(e) Notice of any redemption pursuant to Section 308(a) or Section 308(b) shall be given (i) to Holders of the 2022 Bonds in the manner set forth in Section 6.04 of the Mortgage Indenture and by e-mail to the Depositary and (ii) to the Trustee in accordance with Section 6.02 of the Mortgage Indenture.

SECTION 309 Other Terms of the Bonds of the 2022 Bonds.

The other terms of the 2022 Bonds shall be as expressly set forth herein and in Exhibit B.

ARTICLE IV

ESTABLISHMENT OF 2.10% FIRST MORTGAGE BONDS DUE 2027

SECTION 401 Establishment and Designation of the 2027 Bonds.

Pursuant to the terms hereof and Section 3.01 and Article V of the Mortgage Indenture, the Company hereby establishes the Bonds of the third series as the “2.10% First Mortgage Bonds due 2027” (the “**2027 Bonds**”). The 2027 Bonds may be reopened, from time to time, for issuances of additional Bonds of such series subject to the terms of Article V of the Mortgage Indenture, and any additional Bonds issued and comprising 2027 Bonds shall have identical terms as the 2027 Bonds, except that the issue price, issue date and, in some cases, the first Interest Payment Date may differ.

SECTION 402 Form of 2027 Bonds.

The 2027 Bonds shall be issued in the form of one or more Global Bonds in substantially the form set forth in Exhibit C.

SECTION 403 Principal Amount.

The 2027 Bonds shall be issued in an initial aggregate principal amount of \$1,000,000,000.

SECTION 404 Interest Rate; Stated Maturity; Minimum Denominations.

The 2027 Bonds shall bear interest at the rate of 2.10% per annum and shall have a Stated Maturity of August 1, 2027.

The 2027 Bonds are issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 405 No Sinking Fund.

No sinking fund is provided for any of the 2027 Bonds.

SECTION 406 Paying Agent and Bond Registrar.

The Trustee is hereby appointed as initial Paying Agent and initial Bond Registrar for the 2027 Bonds. The Place of Payment of the 2027 Bonds shall be the Corporate Trust Office of the Trustee.

SECTION 407 Global Securities; Appointment of Depositary for Global Securities.

The 2027 Bonds shall be issued in the form of one or more permanent Global Bonds as provided in Section 3.14 of the Mortgage Indenture and deposited with, or on behalf of, the Depositary, or with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee. The Company hereby initially appoints DTC to act as the Depositary with respect to all 2027 Bonds, and the 2027 Bonds shall initially be registered in the name of Cede & Co., as the nominee of DTC.

The Company and DTC have executed a Blanket Letter of Representations, and the Trustee is hereby authorized, in connection with any successor nominee for DTC or any successor Depositary, to enter into appropriate or comparable arrangements, if necessary, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Mortgage Indenture.

None of the Company, the Trustee, any Paying Agent or any Bond Registrar will have any responsibility or liability for any aspect of Depositary records relating to, or payments made on account of, beneficial ownership interests in a Global Bond or for maintaining, supervising or reviewing any Depositary records relating to such beneficial ownership interests, or for transfers of beneficial interests in the 2027 Bonds or any transactions between the Depositary and beneficial owners.

SECTION 408 Optional Redemption.

(a) Subject to the terms and conditions of the Mortgage Indenture, 2027 Bonds are redeemable at the option of the Company, in whole or in part at any time after the Escrow Release Date and prior to the 2027 Par Call Date, at a Redemption Price equal to the greater of:

(i) 100% of the principal amount of the 2027 Bonds to be redeemed; or

(ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the 2027 Bonds to be redeemed that would be due if the 2027 Bonds matured on the 2027 Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 25 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date.

(b) Subject to the terms and conditions of the Mortgage Indenture, at any time on or after the 2027 Par Call Date, the 2027 Bonds are redeemable at the option of the Company in whole or in part at a Redemption Price equal to 100% of the principal amount of the 2027 Bonds to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

(c) The Redemption Price shall be calculated assuming a 360-day year consisting of twelve 30-day months.

(d) The Company shall calculate the Redemption Price for the redemption of any 2027 Bonds pursuant to Section 408(a) or Section 408(b), and notify the Trustee and, on or before the applicable Redemption Date, deposit with the Trustee or Paying Agent sufficient funds to pay the applicable Redemption Price for the 2027 Bonds to be redeemed on such Redemption Date.

(e) Notice of any redemption pursuant to Section 408(a) or Section 408(b) shall be given (i) to Holders of the 2027 Bonds in the manner set forth in Section 6.04 of the Mortgage Indenture and by e-mail to the Depository and (ii) to the Trustee in accordance with Section 6.02 of the Mortgage Indenture.

SECTION 409 Other Terms of the Bonds of the 2027 Bonds.

The other terms of the 2027 Bonds shall be as expressly set forth herein and in Exhibit C.

ARTICLE V

ESTABLISHMENT OF 2.50% FIRST MORTGAGE BONDS DUE 2031

SECTION 501 Establishment and Designation of the 2031 Bonds.

Pursuant to the terms hereof and Section 3.01 and Article V of the Mortgage Indenture, the Company hereby establishes the Bonds of the fourth series as the “2.50% First Mortgage Bonds due 2031” (the “**2031 Bonds**”). The 2031 Bonds may be reopened, from time to time, for issuances of additional Bonds of such series subject to the terms of Article V of the Mortgage Indenture, and any additional Bonds issued and comprising 2031 Bonds shall have identical terms as the 2031 Bonds, except that the issue price, issue date and, in some cases, the first Interest Payment Date may differ.

SECTION 502 Form of 2031 Bonds.

The 2031 Bonds shall be issued in the form of one or more Global Bonds in substantially the form set forth in Exhibit D.

SECTION 503 Principal Amount.

The 2031 Bonds shall be issued in an initial aggregate principal amount of \$2,000,000,000.

SECTION 504 Interest Rate; Stated Maturity; Minimum Denominations.

The 2031 Bonds shall bear interest at the rate of 2.50% per annum and shall have a Stated Maturity of February 1, 2031.

The 2031 Bonds are issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 505 No Sinking Fund.

No sinking fund is provided for any of the 2031 Bonds.

SECTION 506 Paying Agent and Bond Registrar.

The Trustee is hereby appointed as initial Paying Agent and initial Bond Registrar for the 2031 Bonds. The Place of Payment of the 2031 Bonds shall be the Corporate Trust Office of the Trustee.

SECTION 507 Global Securities: Appointment of Depositary for Global Securities.

The 2031 Bonds shall be issued in the form of one or more permanent Global Bonds as provided in Section 3.14 of the Mortgage Indenture and deposited with, or on behalf of, the Depositary, or with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee. The Company hereby initially appoints DTC to act as the Depositary with respect to all 2031 Bonds, and the 2031 Bonds shall initially be registered in the name of Cede & Co., as the nominee of DTC.

The Company and DTC have executed a Blanket Letter of Representations, and the Trustee is hereby authorized, in connection with any successor nominee for DTC or any successor Depositary, to enter into appropriate or comparable arrangements, if necessary, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Mortgage Indenture.

None of the Company, the Trustee, any Paying Agent or any Bond Registrar will have any responsibility or liability for any aspect of Depositary records relating to, or payments made on account of, beneficial ownership interests in a Global Bond or for maintaining, supervising or reviewing any Depositary records relating to such beneficial ownership interests, or for transfers of beneficial interests in the 2031 Bonds or any transactions between the Depositary and beneficial owners.

SECTION 508 Optional Redemption.

(a) Subject to the terms and conditions of the Mortgage Indenture, 2031 Bonds are redeemable at the option of the Company, in whole or in part at any time after the Escrow Release Date and prior to the 2031 Par Call Date, at a Redemption Price equal to the greater of:

(i) 100% of the principal amount of the 2031 Bonds to be redeemed; or

(ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the 2031 Bonds to be redeemed that would be due if the 2031 Bonds matured on the 2031 Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 30 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date.

(b) Subject to the terms and conditions of the Mortgage Indenture, at any time on or after the 2031 Par Call Date, the 2031 Bonds are redeemable at the option of the Company in whole or in part at a Redemption Price equal to 100% of the principal amount of the 2031 Bonds to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

(c) The Redemption Price shall be calculated assuming a 360-day year consisting of twelve 30-day months.

(d) The Company shall calculate the Redemption Price for the redemption of any 2031 Bonds pursuant to Section 508(a) or Section 508(b), and notify the Trustee and, on or before the applicable Redemption Date, deposit with the Trustee or Paying Agent sufficient funds to pay the applicable Redemption Price for the 2031 Bonds to be redeemed on such Redemption Date.

(e) Notice of any redemption pursuant to Section 508(a) or Section 508(b) shall be given (i) to Holders of the 2031 Bonds in the manner set forth in Section 6.04 of the Mortgage Indenture and by e-mail to the Depository and (ii) to the Trustee in accordance with Section 6.02 of the Mortgage Indenture.

SECTION 509 Other Terms of the Bonds of the 2031 Bonds.

The other terms of the 2031 Bonds shall be as expressly set forth herein and in Exhibit D.

ARTICLE VI

ESTABLISHMENT OF 3.30% FIRST MORTGAGE BONDS DUE 2040

SECTION 601 Establishment and Designation of the 2040 Bonds.

Pursuant to the terms hereof and Section 3.01 and Article V of the Mortgage Indenture, the Company hereby establishes the Bonds of the fifth series as the “3.30% First Mortgage Bonds due 2040” (the “**2040 Bonds**”). The 2040 Bonds may be reopened, from time to time, for issuances of additional Bonds of such series subject to the terms of Article V of the Mortgage Indenture, and any additional Bonds issued and comprising 2040 Bonds shall have identical terms as the 2040 Bonds, except that the issue price, issue date and, in some cases, the first Interest Payment Date may differ.

SECTION 602 Form of 2040 Bonds.

The 2040 Bonds shall be issued in the form of one or more Global Bonds in substantially the form set forth in Exhibit E.

SECTION 603 Principal Amount.

The 2040 Bonds shall be issued in an initial aggregate principal amount of \$1,000,000,000.

SECTION 604 Interest Rate; Stated Maturity; Minimum Denominations.

The 2040 Bonds shall bear interest at the rate of 3.30% per annum and shall have a Stated Maturity of August 1, 2040.

The 2040 Bonds are issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 605 No Sinking Fund.

No sinking fund is provided for any of the 2040 Bonds.

SECTION 606 Paying Agent and Bond Registrar.

The Trustee is hereby appointed as initial Paying Agent and initial Bond Registrar for the 2040 Bonds. The Place of Payment of the 2040 Bonds shall be the Corporate Trust Office of the Trustee.

SECTION 607 Global Securities; Appointment of Depositary for Global Securities.

The 2040 Bonds shall be issued in the form of one or more permanent Global Bonds as provided in Section 3.14 of the Mortgage Indenture and deposited with, or on behalf of, the Depositary, or with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee. The Company hereby initially appoints DTC to act as the Depositary with respect to all 2040 Bonds, and the 2040 Bonds shall initially be registered in the name of Cede & Co., as the nominee of DTC.

The Company and DTC have executed a Blanket Letter of Representations, and the Trustee is hereby authorized, in connection with any successor nominee for DTC or any successor Depositary, to enter into appropriate or comparable arrangements, if necessary, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Mortgage Indenture.

None of the Company, the Trustee, any Paying Agent or any Bond Registrar will have any responsibility or liability for any aspect of Depositary records relating to, or payments made on account of, beneficial ownership interests in a Global Bond or for maintaining, supervising or reviewing any Depositary records relating to such beneficial ownership interests, or for transfers of beneficial interests in the 2040 Bonds or any transactions between the Depositary and beneficial owners.

SECTION 608 Optional Redemption.

(a) Subject to the terms and conditions of the Mortgage Indenture, 2040 Bonds are redeemable at the option of the Company, in whole or in part at any time after the Escrow Release Date and prior to the 2040 Par Call Date, at a Redemption Price equal to the greater of:

(i) 100% of the principal amount of the 2040 Bonds to be redeemed; or

(ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the 2040 Bonds to be redeemed that would be due if the 2040 Bonds matured on the 2040 Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 30 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date.

(b) Subject to the terms and conditions of the Mortgage Indenture, at any time on or after the 2040 Par Call Date, the 2040 Bonds are redeemable at the option of the Company in whole or in part at a Redemption Price equal to 100% of the principal amount of the 2040 Bonds to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

(c) The Redemption Price shall be calculated assuming a 360-day year consisting of twelve 30-day months.

(d) The Company shall calculate the Redemption Price for the redemption of any 2040 Bonds pursuant to Section 608(a) or Section 608(b), and notify the Trustee and, on or before the applicable Redemption Date, deposit with the Trustee or Paying Agent sufficient funds to pay the applicable Redemption Price for the 2040 Bonds to be redeemed on such Redemption Date.

(e) Notice of any redemption pursuant to Section 608(a) or Section 608(b) shall be given (i) to Holders of the 2040 Bonds in the manner set forth in Section 6.04 of the Mortgage Indenture and by e-mail to the Depositary and (ii) to the Trustee in accordance with Section 6.02 of the Mortgage Indenture.

SECTION 609 Other Terms of the Bonds of the 2040 Bonds.

The other terms of the 2040 Bonds shall be as expressly set forth herein and in Exhibit E.

ARTICLE VII

ESTABLISHMENT OF 3.50% FIRST MORTGAGE BONDS DUE 2050

SECTION 701 Establishment and Designation of the 2050 Bonds.

Pursuant to the terms hereof and Section 3.01 and Article V of the Mortgage Indenture, the Company hereby establishes the Bonds of the sixth series as the “3.50% First Mortgage Bonds due 2050” (the “**2050 Bonds**”). The 2050 Bonds may be reopened, from time to time, for issuances of additional Bonds of such series subject to the terms of Article V of the Mortgage Indenture, and any additional Bonds issued and comprising 2050 Bonds shall have identical terms as the 2050 Bonds, except that the issue price, issue date and, in some cases, the first Interest Payment Date may differ.

SECTION 702 Form of 2050 Bonds.

The 2050 Bonds shall be issued in the form of one or more Global Bonds in substantially the form set forth in Exhibit F.

SECTION 703 Principal Amount.

The 2050 Bonds shall be issued in an initial aggregate principal amount of \$1,925,000,000.

SECTION 704 Interest Rate; Stated Maturity; Minimum Denominations.

The 2050 Bonds shall bear interest at the rate of 3.50% per annum and shall have a Stated Maturity of August 1, 2050.

The 2050 Bonds are issuable in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof.

SECTION 705 No Sinking Fund.

No sinking fund is provided for any of the 2050 Bonds.

SECTION 706 Paying Agent and Bond Registrar.

The Trustee is hereby appointed as initial Paying Agent and initial Bond Registrar for the 2050 Bonds. The Place of Payment of the 2050 Bonds shall be the Corporate Trust Office of the Trustee.

SECTION 707 Global Securities; Appointment of Depositary for Global Securities.

The 2050 Bonds shall be issued in the form of one or more permanent Global Bonds as provided in Section 3.14 of the Mortgage Indenture and deposited with, or on behalf of, the Depositary, or with the Trustee, as custodian for the Depositary, duly executed by the Company and authenticated by the Trustee. The Company hereby initially appoints DTC to act as the Depositary with respect to all 2050 Bonds, and the 2050 Bonds shall initially be registered in the name of Cede & Co., as the nominee of DTC.

The Company and DTC have executed a Blanket Letter of Representations, and the Trustee is hereby authorized, in connection with any successor nominee for DTC or any successor Depositary, to enter into appropriate or comparable arrangements, if necessary, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under the Mortgage Indenture.

None of the Company, the Trustee, any Paying Agent or any Bond Registrar will have any responsibility or liability for any aspect of Depositary records relating to, or payments made on account of, beneficial ownership interests in a Global Bond or for maintaining, supervising or reviewing any Depositary records relating to such beneficial ownership interests, or for transfers of beneficial interests in the 2050 Bonds or any transactions between the Depositary and beneficial owners.

SECTION 708 Optional Redemption.

(a) Subject to the terms and conditions of the Mortgage Indenture, 2050 Bonds are redeemable at the option of the Company, in whole or in part at any time after the Escrow Release Date and prior to the 2050 Par Call Date, at a Redemption Price equal to the greater of:

(i) 100% of the principal amount of the 2050 Bonds to be redeemed; or

(ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the 2050 Bonds to be redeemed that would be due if the 2050 Bonds matured on the 2050 Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 30 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date.

(b) Subject to the terms and conditions of the Mortgage Indenture, at any time on or after the 2050 Par Call Date, the 2050 Bonds are redeemable at the option of the Company in whole or in part at a Redemption Price equal to 100% of the principal amount of the 2050 Bonds to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

(c) The Redemption Price shall be calculated assuming a 360-day year consisting of twelve 30-day months.

(d) The Company shall calculate the Redemption Price for the redemption of any 2050 Bonds pursuant to Section 708(a) or Section 708(b), and notify the Trustee and, on or before the applicable Redemption Date, deposit with the Trustee or Paying Agent sufficient funds to pay the applicable Redemption Price for the 2050 Bonds to be redeemed on such Redemption Date.

(e) Notice of any redemption pursuant to Section 708(a) or Section 708(b) shall be given (i) to Holders of the 2050 Bonds in the manner set forth in Section 6.04 of the Mortgage Indenture and by e-mail to the Depositary and (ii) to the Trustee in accordance with Section 6.02 of the Mortgage Indenture.

SECTION 709 Other Terms of the Bonds of the 2050 Bonds.

The other terms of the 2050 Bonds shall be as expressly set forth herein and in Exhibit F.

ARTICLE VIII

SPECIAL REDEMPTION: ESCROW MATTERS

SECTION 801 Special Redemption.

(a) In the event that the Company provides an Escrow Redemption Notice (as defined in the Escrow Agreement) pursuant to Section 6(c)(i) of the Escrow Agreement on or prior to 12:00 p.m. (Pacific Time) on the Redemption Trigger Date to the Escrow Agent, the Company shall, on such date, send a notice to the Trustee and to each Holder of Bonds, substantially in the form attached as Exhibit G hereto, and shall be required to redeem the Bonds on the Special Redemption Date specified in such notice of redemption at the Special Redemption Price. The Special Redemption Date shall be at least three and not more than 30 days after the date of such notice (and in any event shall not be later than September 14, 2020).

(b) If the Company has not notified the Trustee that the Escrow Conditions have been satisfied or issued an Escrow Redemption Notice prior to 12:00 p.m. (Pacific Time) on the Redemption Trigger Date, the Trustee shall, on such date, send to each Holder of Bonds, substantially in the form attached as Exhibit G hereto, specifying the Special Redemption Date and the Special Redemption Price. The Trustee shall, on the Redemption Trigger Date, deliver an Escrow Redemption Notice pursuant to Section 6(c)(ii) of the Escrow Agreement. The Trustee will be paid by the Escrow Agent all amounts from the Escrow Account necessary to pay the Special Redemption Price on such Special Redemption Date, and to the extent of funds withdrawn from the Escrow Account, shall redeem the Bonds on such date at the Special Redemption Price.

(c) Any redemption made pursuant to this Section 801 (a “**Special Redemption**”) shall be made pursuant to the procedures set forth in the Mortgage Indenture and the Escrow Agreement, except to the extent inconsistent with this paragraph. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

SECTION 802 Escrow Account.

Notwithstanding anything in the Mortgage Indenture, on the Original Issue Date, simultaneously with the issuance of the Bonds, the Company shall, pursuant to the terms of the Escrow Agreement, deposit (or cause to be deposited) into the Escrow Account cash in an amount equal to the net proceeds of the offering of the Bonds, together with additional cash, in an aggregate amount sufficient to redeem the Bonds at the Special Redemption Price on September 14, 2020. Funds held in the Escrow Account shall, pending release to fund the Special Redemption as set forth in Section 801 hereof or as a result of the satisfaction of the Escrow Conditions as set forth in the Escrow Agreement, be invested in accordance with the terms of the Escrow Agreement.

SECTION 803 Special Redemption.

If a Special Redemption of the Securities is to occur pursuant to Section 801 hereof, the Trustee shall direct the Escrow Agent to, and the Escrow Agent shall cause the liquidation of all Escrow Collateral (as such term is defined in the Escrow Agreement) then held by it and the release and deliver of the proceeds of such liquidated Escrow Collateral in accordance with the terms of the Escrow Agreement.

SECTION 804 Release of Escrowed Property.

Upon the satisfaction of the Escrow Conditions, the Company may direct the Escrow Agent, and the Escrow Agent shall cause the liquidation of all Escrow Collateral then held by it and the release and deliver of the proceeds of such liquidated Escrow Collateral subject to the conditions set forth in, and otherwise in accordance with, the terms of the Escrow Agreement.

SECTION 805 Trustee Direction to Execute Escrow Agreement.

The Trustee is hereby authorized and directed to execute and deliver the Escrow Agreement.

ARTICLE IX

AMENDMENT, SUPPLEMENT AND WAIVER

The Trustee and the Company may not modify, amend or supplement this First Supplemental Indenture or the Escrow Agreement except as set forth in Article XIV of the Mortgage Indenture as if (a) references in Article XIV to “this Indenture” and “hereto” are deemed to include the First Supplemental Indenture and the Escrow Agreement, and (b) references to the Bonds of any series “Outstanding under this Indenture” (or similar expressions and phrases) are deemed to refer only to the Bonds of the Initial Series and no other Bonds.

ARTICLE X

COVENANTS

Each of the agreements and covenants of the Company contained in Article VII of the Mortgage Indenture shall apply to the Bonds of each series established hereby as of the Original Issue Date.

ARTICLE XI

MISCELLANEOUS

SECTION 1101 Concerning the Trustee.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this First Supplemental Indenture or the due execution hereof by the Company, or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company. Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustee by reason of this First Supplemental Indenture other than as set forth in the Mortgage Indenture; and this First Supplemental Indenture is executed and accepted on behalf of the Trustee, subject to all the terms and conditions set forth in the Mortgage Indenture, as fully to all intents as if the same were herein set forth at length.

SECTION 1102 Application of First Supplemental Indenture.

Except as provided herein, each and every term and condition contained in this First Supplemental Indenture that modifies, amends or supplements the terms and conditions of the Mortgage Indenture shall apply only to the Bonds of the Initial Series established hereby and not to any other series of Bonds established under the Mortgage Indenture. Except as specifically amended and supplemented by, or to the extent inconsistent with, this First Supplemental Indenture, the Mortgage Indenture shall remain in full force and effect and is hereby ratified and confirmed.

SECTION 1103 Headings.

The headings of the several Articles of this First Supplemental Indenture are inserted for convenience of reference, and shall not be deemed to be any part hereof.

SECTION 1104 Effective Date.

This First Supplemental Indenture shall be effective upon the execution and delivery hereof by each of the parties hereto.

SECTION 1105 Counterparts.

This First Supplemental Indenture may be executed in any number of counterparts, and each of such counterparts shall together constitute but one and the same instrument. Delivery of an executed First Supplemental Indenture by one party to the other may be made by facsimile, electronic mail (including any electronic signature complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law) or other transmission method, and the parties hereto agree that any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

SECTION 1106 Governing Law.

The laws of the State of New York shall govern this First Supplemental Indenture and the Bonds of the Initial Series, without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

SECTION 1107 Severability.

In case any provision in this First Supplemental Indenture or the Bonds of the Initial Series shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the day and year first above written.

PACIFIC GAS AND ELECTRIC COMPANY, as Issuer
(Mortgagor)

By: /s/ Margaret K. Becker
Name: Margaret K. Becker
Title: Senior Director and Treasurer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee (Mortgagee)

By: /s/ Natahan Turner
Name: Natahan Turner
Title: Vice President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
 }
COUNTY OF SAN FRANCISCO }

On May 21, 2020, before me, Jolie F. Ocampo, personally appeared Margaret K. Becker, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

/s/ Jolie Franchesca Ocampo

Signature

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF FLORIDA }
 }
COUNTY OF DUVAL }

On June 11, 2020, before me, Joshua P. Kakareka, personally appeared Nathan Turner, a Vice President of The Bank of New York Mellon Trust Company, N.A. and, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

/s/ Joshua P. Kakareka

Joshua P. Kakareka
Notary Public
State of Florida
Comm# GG931852
Expires 11/13/2023

(Seal)

EXHIBIT A

[FORM OF FLOATING RATE FIRST MORTGAGE BOND DUE 2022]

[FORM OF FACE OF BOND]

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE MORTGAGE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR BONDS IN CERTIFICATED FORM, THIS GLOBAL BOND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE FOLLOWING SUMMARY OF TERMS IS SUBJECT TO THE INFORMATION SET FORTH ON THE REVERSE HEREOF:

PRINCIPAL AMOUNT:	ORIGINAL ISSUE DATE:	INTEREST RATE:
\$500,000,000	June 19, 2020	LIBOR plus 1.48% per annum
MATURITY DATE:	INTEREST PAYMENT DATES:	THIS BOND IS A:
June 16, 2022	March 16, June 16, September 16 and December 16 of each year, commencing September 16, 2020	☒ Global Book-Entry Bond ☐ Certificated Bond
REGISTERED OWNER: Cede & Co., as nominee of The Depository Trust Company		

PACIFIC GAS AND ELECTRIC COMPANY

FLOATING RATE FIRST MORTGAGE BOND DUE 2022
(Floating Rate)

No. [•]
CUSIP [•]

Principal Amount: \$[•]

PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of California (herein called the “Company,” which term includes any successor Person pursuant to the applicable provisions of the Mortgage Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from and including the Original Issue Date stated above or, in the case of a Floating Rate First Mortgage Bond Due 2022 issued upon the registration of transfer or exchange, from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly in arrears on the Interest Payment Dates set forth above and on the Maturity Date stated above, as described on the reverse hereof until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Mortgage Indenture, be paid to the Person in whose name this Floating Rate First Mortgage Bond Due 2022 (this “Bond”) (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, which shall be March 2, June 2, September 2 or December 2 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date or on a Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, as set forth in Section 3.07 of the Mortgage Indenture, notice whereof shall be given to Holders of Bonds of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of the Mortgage Indenture and any securities exchange, if any, on which the Bonds of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in said Mortgage Indenture.

Payments of interest on this Bond will include interest accrued to but excluding the respective Interest Payment Dates.

Payment of principal of, premium, if any, and interest on the Bonds of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Bonds of this series represented by a Global Bond shall be made by wire transfer of immediately available funds to the Holder of such Global Bond, provided that, in the case of

payments of principal and premium, if any, such Global Bond is first surrendered to the Paying Agent. If any of the Bonds of this series are no longer represented by a Global Bond, (i) payments of principal, premium, if any, and interest due on the Maturity Date or earlier redemption of such Bonds shall be made at the office of the Paying Agent upon surrender of such Bonds to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, (A) by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register or (B) by wire transfer to registered Holders of at least \$10,000,000 in principal amount of Bonds at such place and to such account at a banking institution in the United States as such Holders may designate in writing to the Trustee at least sixteen (16) days prior to the date for payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Bond shall not be entitled to any benefit under the Mortgage Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

PACIFIC GAS AND ELECTRIC COMPANY

By _____

By _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated as Bonds of the Floating Rate First Mortgage Bonds due 2022 referred to in the within-mentioned Mortgage Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

Dated:

This Floating Rate First Mortgage Bond due 2022 is one of a duly authorized issue of Bonds of the Company (the “**Bonds**”), issued and issuable in one or more series under and equally secured by an Indenture of Mortgage, dated as of June 19, 2020 (such Mortgage Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Bonds, being herein called the “**Mortgage Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the “**Trustee**”, which term includes any successor trustee under the Mortgage Indenture), and reference is hereby made to the Mortgage Indenture for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of Bonds thereunder and of the terms and conditions upon which Bonds are, and are to be, authenticated and delivered. The acceptance of this Bond shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Mortgage Indenture.

The Bonds of this series are subject to Special Redemption in whole on the Special Redemption Date in the event that the Mandatory Redemption Event occurs at the Special Redemption Price. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

Subject to the terms and conditions of the Mortgage Indenture, the Bonds of this series are also redeemable at the option of the Company (“**Optional Redemption**”), in whole or in part, at any time after June 16, 2021 at a Redemption Price equal to 100% of the principal amount of the Bonds of this series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

In the case of an Optional Redemption, notice of redemption will be sent not less than 10 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds of this series to be redeemed. If money sufficient to pay the redemption price of all Bonds of this series (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent or the Trustee on or prior to the Redemption Date, from and after such Redemption Date such Bonds of this series or portions thereof shall cease to bear interest. The Bonds of this series in denominations larger than \$2,000 in principal amount may be redeemed in part but only in integral multiples of \$1,000.

In the event of redemption of this Bond in part only, a new Bond or Bonds of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

Except as set forth below, this Bond will bear interest for each interest period at a rate determined by the Calculation Agent (as defined below). The Calculation Agent is The Bank of New York Mellon Trust Company, N.A., until such time as the Company appoints a successor calculation agent (herein called the “**Calculation Agent**”, which term includes any successor Calculation Agent under the Mortgage Indenture). Interest payments on this Bond will be made quarterly in arrears on March 16, February 1, September 16 and August 1 of each year, beginning

on September 16, 2020, and on February 1, 2022. The interest rate for this Bond (the “**Interest Rate**”) for a particular interest period will be a per annum rate equal to LIBOR as determined on the applicable Interest Determination Date (as defined below) by the Calculation Agent plus 1.48% (the “**Margin**”). The Interest Rate on this Bond will be reset on the first day of each interest period other than the initial interest period (each an “**Interest Reset Date**”). Interest on this Bond will be payable quarterly March 16, June 16, September 16 and December 16 of each year, beginning September 16, 2020. An interest period is the period commencing on an Interest Payment Date (or, in the case of the initial interest period, commencing on June 19, 2020) and ending on the day preceding the next Interest Payment Date.

The interest determination date for an interest period will be the second London Business Day preceding such interest period (the “**Interest Determination Date**”). Promptly upon determination, the Calculation Agent will inform the Trustee and the Company or its designee (which may be an independent financial advisor or such other designee of the Company (any of such entities, a “**Designee**”)) will inform the Trustee, of the Interest Rate for the next interest period. Absent manifest error, the determination of the Interest Rate by the Calculation Agent, or in certain circumstances described below, by the Company (or the Designee), shall be binding and conclusive on the Holders of the Bonds of this series, the Trustee and the Company. For the avoidance of doubt, in no event shall the Calculation Agent or the Trustee be the Designee. A “**London Business Day**” is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

In no event shall the Calculation Agent be responsible for determining any substitute for LIBOR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Calculation Agent shall be entitled to conclusively rely on any determinations made by the Company (or the Designee) and shall have no liability for such actions taken at the direction of the Company.

Any determination, decision or election that may be made by the Company (or the Designee) in connection with a Benchmark Transition Event or a Benchmark Replacement, including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Company’s (or the Designee’s) sole discretion, and, notwithstanding anything to the contrary herein, will become effective without consent from any other party. None of the Trustee or the Calculation Agent will have any liability for any determination made by or on behalf of the Company (or the Designee) in connection with a Benchmark Transition Event or a Benchmark Replacement.

On any Interest Determination Date, LIBOR will be the rate for deposits in United States dollars having a maturity of three months commencing on the first day of the applicable interest period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m., London time, on that Interest Determination Date.

Upon written request from any Holder of the Bonds of this series, the Calculation Agent will provide the Interest Rate in effect for the Bonds of this series for the current interest period and, if it has been determined, the Interest Rate to be in effect for the next interest period.

All percentages resulting from any calculation of any Interest Rate for the Bonds of this series will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 8.986865% (or 0.08986865) being rounded to 8.98687% (or 0.0898687)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

The Interest Rate on the Bonds of this series will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States laws of general application. Additionally, the Interest Rate on the Bonds of this series will in no event be lower than zero.

Interest on the Bonds of this series will accrue from June 19, 2020, or from the most recent Interest Payment Date to which interest has been paid or provided for. If any Interest Payment Date (other than the Maturity Date) falls on a date that is not a Business Day, the payment will be made on the next Business Day, except that if that Business Day is in the immediately succeeding calendar month, the interest payment will be made on the next preceding Business Day, in each case with interest accruing to the applicable Interest Payment Date (as so adjusted). If the Maturity Date of the Bonds of this series falls on a day that is not a Business Day, then the related payment of principal and interest will be made on the next day that is a Business Day with the same effect as if made on the date that the payment was first due, and no interest will accrue on the amount so payable for the period from the Maturity Date. Interest on the Bonds of this series will be calculated on the basis of the actual number of days in each quarterly interest period and a 360-day year.

If LIBOR cannot be determined on the Interest Determination Date as described above, the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Company, to provide the Calculation Agent with its offered quotation for deposits in United States dollars for the period of three months, commencing on the first day of the applicable interest period, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that Interest Determination Date and in a principal amount that is representative for a single transaction in United States dollars in that market at that time. If at least two quotations are provided, then LIBOR on that Interest Determination Date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, then LIBOR on the Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in The City of New York, on the Interest Determination Date by three major banks in The City of New York selected by the Company for loans in United States dollars to leading European banks, having a three-month maturity and in a principal amount that is representative for a single transaction in United States dollars in that market at that time; provided that if the banks selected by the Company are not providing quotations in the manner described by this sentence, LIBOR will be the same as the rate determined for the immediately preceding Interest Reset Date or if there is no immediately preceding Interest Reset Date, LIBOR will be the same as the rate determined for the initial interest period.

Notwithstanding the preceding two paragraphs, if the Company (or the Designee) determines on or prior to the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then current Benchmark, then the provisions set forth below under “Effect of Benchmark Transition Event”, which is referred to as the “Benchmark Transition Provisions,” will thereafter apply to all determinations, calculations and quotations made or obtained for the purposes of calculating the rate and amount of interest payable on the bonds of this series during the relevant interest period. In accordance with the Benchmark Transition Provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the amount of interest that will be payable for each interest period will be an annual rate equal to the sum of the Benchmark Replacement and the Margin.

Effect of Benchmark Transition Event:

If the Company (or the Designee) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Bonds of this series in respect of such determination on such date and all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Company (or the Designee) will have the right to make Benchmark Replacement Conforming Changes from time to time.

Any determination, decision, election or calculation that may be made by the Company (or the Designee) pursuant to this Section titled “Effect of Benchmark Transition Event”, including any determination with respect to tenor, rate or adjustment or of the occurrence or nonoccurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the Company’s (or the Designee’s) sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Securities, shall become effective without consent from the Holders of the Bonds of this series or any other party.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, this Bond or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Mortgage Indenture and to be no longer Outstanding thereunder, and the Company’s entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with money, if any, deposited with or held by the Trustee or such Paying Agent, will be sufficient to pay when due the principal of and premium, if any, and interest on this Bond when due.

If an Event of Default shall occur and be continuing as provided in the Mortgage Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount of all Bonds then Outstanding to be due and payable immediately by notice in writing to the Company (and to the Trustee if given by Holders); *provided, however*, that with respect to certain Events of Default relating to bankruptcy, insolvency and similar events, the principal amount of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or the Holders.

The Mortgage Indenture permits, with certain exceptions as therein provided, the Company and the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Mortgage Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, considered as one class; *provided, however*, that if there shall be Bonds of more than one series Outstanding under the Mortgage Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and *provided, further*, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and *provided, further*, that the Mortgage Indenture permits the Company and the Trustee to enter into one or more supplemental indentures for certain purposes without the consent of any Holders of Bonds. The Mortgage Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of Bonds, on behalf of the Holders of all such Bonds, to waive certain past defaults under the Mortgage Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in and subject to the provisions of the Mortgage Indenture, the Holder of this Bond shall not have the right to institute any proceeding with respect to the Mortgage Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of at least 25% in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of at least a majority in aggregate principal amount of Bonds at the time Outstanding a direction inconsistent with such written request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Bond for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Mortgage Indenture and no provision of this Bond or of the Mortgage Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Bond at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, the transfer of this Bond is registrable in the Bond Register, upon surrender of this Bond for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Bond are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Bonds of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Mortgage Indenture and subject to certain limitations therein set forth, Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series and of like tenor of a different authorized denomination, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company shall not be required to execute or to provide for the registration of the transfer of or the exchange of (A) any Bond of this series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of this series called for redemption, or (B) any Bond of this series selected for redemption in whole or in part, except the unredeemed portion of any Bond of this series being redeemed in part.

Prior to due presentment of this Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Bond is registered as the owner hereof for all purposes, whether or not this Bond is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereunder, except to the extent that the Trust Indenture Act shall be applicable.

As provided in the Mortgage Indenture, no recourse shall be had for the payment of the principal of, premium, if any, or interest with respect to this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or upon any obligation, covenant or agreement under the Mortgage Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Mortgage Indenture and all the Bonds are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Mortgage Indenture and the issuance of this Bond.

All terms used in this Bond which are not defined herein shall have the meanings assigned to them in the Mortgage Indenture.

ASSIGNMENT FORM

To assign this Bond, fill in the form below: (I) or (we) assign and transfer this Bond to _____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Bond on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____

(Sign exactly as your name appears on the face of this Bond)

Tax Identification No.:

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

[FORM OF 1.75% FIRST MORTGAGE BOND DUE 2022]

[FORM OF FACE OF BOND]

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE MORTGAGE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR BONDS IN CERTIFICATED FORM, THIS GLOBAL BOND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE FOLLOWING SUMMARY OF TERMS IS SUBJECT TO THE INFORMATION SET FORTH ON THE REVERSE HEREOF:

PRINCIPAL AMOUNT:
\$2,500,000,000

ORIGINAL ISSUE DATE:
June 19, 2020

INTEREST RATE:
1.75% per annum

MATURITY DATE:
June 16, 2022

INTEREST PAYMENT DATES:
June 16 and December 16 of each year,
commencing December 16, 2020

THIS BOND IS A:
☒ Global Book-Entry Bond
☐ Certificated Bond

REGISTERED OWNER: Cede & Co., as nominee of The
Depository Trust Company

PACIFIC GAS AND ELECTRIC COMPANY

1.75% FIRST MORTGAGE BOND DUE 2022

(Fixed Rate)

No. [•]
CUSIP [•]

Principal Amount: \$[•]

PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of California (herein called the “Company,” which term includes any successor Person pursuant to the applicable provisions of the Mortgage Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from and including the Original Issue Date stated above or, in the case of a 1.75% First Mortgage Bond Due 2022 issued upon the registration of transfer or exchange, from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates set forth above and on the Maturity Date stated above, at the rate of 1.75% per annum until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Mortgage Indenture, be paid to the Person in whose name this 1.75% First Mortgage Bond Due 2022 (this “Bond”) (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, which shall be June 2 and December 2 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date or on a Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, as set forth in Section 3.07 of the Mortgage Indenture, notice whereof shall be given to Holders of Bonds of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of the Mortgage Indenture and any securities exchange, if any, on which the Bonds of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in said Mortgage Indenture.

Payments of interest on this Bond will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Bond shall be computed and paid on the basis of the 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Bond (other than the Maturity Date) is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. If the Maturity Date falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest may be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after maturity.

Payment of principal of, premium, if any, and interest on the Bonds of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Bonds of this series represented by a Global Bond shall be made by wire transfer of immediately available funds to the Holder of such Global Bond, provided that, in the case of payments of principal and premium, if any, such Global Bond is first surrendered to the Paying Agent. If any of the Bonds of this series are no longer represented by a Global Bond, (i) payments of principal, premium, if any, and interest due on the Maturity Date or earlier redemption of such Bonds shall be made at the office of the Paying Agent upon surrender of such Bonds to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, (A) by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register or (B) by wire transfer to registered Holders of at least \$10,000,000 in principal amount of Bonds at such place and to such account at a banking institution in the United States as such Holders may designate in writing to the Trustee at least sixteen (16) days prior to the date for payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Bond shall not be entitled to any benefit under the Mortgage Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

PACIFIC GAS AND ELECTRIC COMPANY

By _____

By _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated as Bonds of the 1.75% First Mortgage Bonds due 2022 referred to in the within-mentioned Mortgage Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

Dated:

This 1.75% First Mortgage Bond due 2022 is one of a duly authorized issue of Bonds of the Company (the “**Bonds**”), issued and issuable in one or more series under and equally secured by an Indenture of Mortgage, dated as of June 19, 2020 (such Mortgage Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Bonds, being herein called the “**Mortgage Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the “**Trustee**”, which term includes any successor trustee under the Mortgage Indenture), and reference is hereby made to the Mortgage Indenture for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of Bonds thereunder and of the terms and conditions upon which Bonds are, and are to be, authenticated and delivered. The acceptance of this Bond shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Mortgage Indenture.

The Bonds of this series are subject to Special Redemption in whole on the Special Redemption Date in the event that the Mandatory Redemption Event occurs at the Special Redemption Price. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

Subject to the terms and conditions of the Mortgage Indenture, the Bonds of this series are also redeemable at the option of the Company (“**Optional Redemption**”), in whole or in part (a) at any time after the Escrow Release Date and prior to June 16, 2021 (the “**Par Call Date**”) at a Redemption Price equal to the greater of:

(i) 100% of the principal amount of the 2022 Bonds to be redeemed; or

(ii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of this series to be redeemed that would be due if the Bonds of this series matured on the Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 25 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date; and (b) at any time on or after the Par Call Date, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds of this series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

For purposes of determining the Redemption Price, the following terms have the following meanings:

“**Adjusted Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the Redemption Date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

“Comparable Treasury Issue” means, with respect to any Redemption Date, the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the Bonds of this series to be redeemed (assuming, for such purpose, that the Bonds of this series matured on the Par Call Date (the “remaining term”)), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Redemption Date:

- (1) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or
- (2) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations so received.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company for the Bonds.

“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC and (2) one other primary dealer in certain U.S. government securities selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to Holders of such Bonds of this series, or one or more Predecessor Bonds, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Mortgage Indenture.

In the case of an Optional Redemption, notice of redemption will be sent not less than 10 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds of this series to be redeemed. If money sufficient to pay the redemption price of all Bonds of this series (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent or the Trustee on or prior to the Redemption Date, from and after such Redemption Date such Bonds of this series or portions thereof shall cease to bear interest. The Bonds of this series in denominations larger than \$2,000 in principal amount may be redeemed in part but only in integral multiples of \$1,000.

In the event of redemption of this Bond in part only, a new Bond or Bonds of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, this Bond or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Mortgage Indenture and to be no longer Outstanding thereunder, and the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with money, if any, deposited with or held by the Trustee or such Paying Agent, will be sufficient to pay when due the principal of and premium, if any, and interest on this Bond when due.

If an Event of Default shall occur and be continuing as provided in the Mortgage Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount of all Bonds then Outstanding to be due and payable immediately by notice in writing to the Company (and to the Trustee if given by Holders); *provided, however*, that with respect to certain Events of Default relating to bankruptcy, insolvency and similar events, the principal amount of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or the Holders.

The Mortgage Indenture permits, with certain exceptions as therein provided, the Company and the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Mortgage Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, considered as one class; *provided, however*, that if there shall be Bonds of more than one series Outstanding under the Mortgage Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and *provided, further*, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and *provided, further*, that the Mortgage Indenture permits the Company and the Trustee to enter into one or more supplemental indentures for certain purposes without the consent of any Holders of Bonds. The Mortgage Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of Bonds, on behalf of the Holders of all such Bonds, to waive certain past defaults under the Mortgage Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in and subject to the provisions of the Mortgage Indenture, the Holder of this Bond shall not have the right to institute any proceeding with respect to the Mortgage Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of at least 25% in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of at least a majority in aggregate principal amount of Bonds at the time Outstanding a direction inconsistent with such written request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Bond for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Mortgage Indenture and no provision of this Bond or of the Mortgage Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Bond at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, the transfer of this Bond is registrable in the Bond Register, upon surrender of this Bond for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Bond are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Bonds of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Mortgage Indenture and subject to certain limitations therein set forth, Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series and of like tenor of a different authorized denomination, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company shall not be required to execute or to provide for the registration of the transfer of or the exchange of (A) any Bond of this series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of this series called for redemption, or (B) any Bond of this series selected for redemption in whole or in part, except the unredeemed portion of any Bond of this series being redeemed in part.

Prior to due presentment of this Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Bond is registered as the owner hereof for all purposes, whether or not this Bond is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereunder, except to the extent that the Trust Indenture Act shall be applicable.

As provided in the Mortgage Indenture, no recourse shall be had for the payment of the principal of, premium, if any, or interest with respect to this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or upon any obligation, covenant or agreement under the Mortgage Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Mortgage Indenture and all the Bonds are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Mortgage Indenture and the issuance of this Bond.

All terms used in this Bond which are not defined herein shall have the meanings assigned to them in the Mortgage Indenture.

ASSIGNMENT FORM

To assign this Bond, fill in the form below: (I) or (we) assign and transfer this Bond to _____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Bond on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____
(Sign exactly as your name appears on the face of this Bond)

Tax Identification No.:

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT C

[FORM OF 2.10% FIRST MORTGAGE BOND DUE 2027]

[FORM OF FACE OF BOND]

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE MORTGAGE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR BONDS IN CERTIFICATED FORM, THIS GLOBAL BOND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE FOLLOWING SUMMARY OF TERMS IS SUBJECT TO THE INFORMATION SET FORTH ON THE REVERSE HEREOF:

PRINCIPAL AMOUNT:
\$1,000,000,000

ORIGINAL ISSUE DATE:
June 19, 2020

INTEREST RATE:
2.10% per annum

MATURITY DATE:
August 1, 2027

INTEREST PAYMENT DATES:
February 1 and August 1 of each year,
commencing February 1, 2021

THIS BOND IS A:
☒ Global Book-Entry Bond
☐ Certificated Bond

REGISTERED OWNER: Cede & Co., as nominee of The
Depository Trust Company

PACIFIC GAS AND ELECTRIC COMPANY

2.10% FIRST MORTGAGE BOND DUE 2027

(Fixed Rate)

No. [•]
CUSIP [•]

Principal Amount: \$[•]

PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of California (herein called the “Company,” which term includes any successor Person pursuant to the applicable provisions of the Mortgage Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from and including the Original Issue Date stated above or, in the case of a 2.10% First Mortgage Bond Due 2027 issued upon the registration of transfer or exchange, from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates set forth above and on the Maturity Date stated above, at the rate of 2.10% per annum until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Mortgage Indenture, be paid to the Person in whose name this 2.10% First Mortgage Bond Due 2027 (this “Bond”) (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, which shall be January 15 and July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date or on a Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Bonds of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of the Mortgage Indenture and any securities exchange, if any, on which the Bonds of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in said Mortgage Indenture.

Payments of interest on this Bond will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Bond shall be computed and paid on the basis of the 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Bond (other than the Maturity Date) is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. If the Maturity Date falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest may be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after maturity.

Payment of principal of, premium, if any, and interest on the Bonds of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Bonds of this series represented by a Global Bond shall be made by wire transfer of immediately available funds to the Holder of such Global Bond, provided that, in the case of payments of principal and premium, if any, such Global Bond is first surrendered to the Paying Agent. If any of the Bonds of this series are no longer represented by a Global Bond, (i) payments of principal, premium, if any, and interest due on the Maturity Date or earlier redemption of such Bonds shall be made at the office of the Paying Agent upon surrender of such Bonds to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, (A) by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register or (B) by wire transfer to registered Holders of at least \$10,000,000 in principal amount of Bonds at such place and to such account at a banking institution in the United States as such Holders may designate in writing to the Trustee at least sixteen (16) days prior to the date for payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Bond shall not be entitled to any benefit under the Mortgage Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

PACIFIC GAS AND ELECTRIC COMPANY

By _____

By _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated as Bonds of the 2.10% First Mortgage Bonds due 2027 referred to in the within-mentioned Mortgage Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

Dated:

This 2.10% First Mortgage Bond due 2027 is one of a duly authorized issue of Bonds of the Company (the “**Bonds**”), issued and issuable in one or more series under and equally secured by an Indenture of Mortgage, dated as of June 19, 2020 (such Mortgage Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Bonds, being herein called the “**Mortgage Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the “**Trustee**”, which term includes any successor trustee under the Mortgage Indenture), and reference is hereby made to the Mortgage Indenture for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of Bonds thereunder and of the terms and conditions upon which Bonds are, and are to be, authenticated and delivered. The acceptance of this Bond shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Mortgage Indenture.

The Bonds of this series are subject to Special Redemption in whole on the Special Redemption Date in the event that the Mandatory Redemption Event occurs at the Special Redemption Price. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

Subject to the terms and conditions of the Mortgage Indenture, the Bonds of this series are also redeemable at the option of the Company (“**Optional Redemption**”), in whole or in part (a) at any time after the Escrow Release Date and prior to June 1, 2027 (the “**Par Call Date**”) at a Redemption Price equal to the greater of:

(iii) 100% of the principal amount of the 2027 Bonds to be redeemed; or

(iv) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of this series to be redeemed that would be due if the Bonds of this series matured on the Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 25 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date; and (b) at any time on or after the Par Call Date, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds of this series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

For purposes of determining the Redemption Price, the following terms have the following meanings:

“**Adjusted Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the Redemption Date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

“Comparable Treasury Issue” means, with respect to any Redemption Date, the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the Bonds of this series to be redeemed (assuming, for such purpose, that the Bonds of this series matured on the Par Call Date (the “remaining term”)), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Redemption Date:

- (3) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or
- (4) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations so received.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company for the Bonds.

“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC and (2) one other primary dealer in certain U.S. government securities selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to Holders of such Bonds of this series, or one or more Predecessor Bonds, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Mortgage Indenture.

In the case of an Optional Redemption, notice of redemption will be sent not less than 10 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds of this series to be redeemed. If money sufficient to pay the redemption price of all Bonds of this series (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent or the Trustee on or prior to the Redemption Date, from and after such Redemption Date such Bonds of this series or portions thereof shall cease to bear interest. The Bonds of this series in denominations larger than \$2,000 in principal amount may be redeemed in part but only in integral multiples of \$1,000.

In the event of redemption of this Bond in part only, a new Bond or Bonds of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, this Bond or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Mortgage Indenture and to be no longer Outstanding thereunder, and the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with money, if any, deposited with or held by the Trustee or such Paying Agent, will be sufficient to pay when due the principal of and premium, if any, and interest on this Bond when due.

If an Event of Default shall occur and be continuing as provided in the Mortgage Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount of all Bonds then Outstanding to be due and payable immediately by notice in writing to the Company (and to the Trustee if given by Holders); *provided, however*, that with respect to certain Events of Default relating to bankruptcy, insolvency and similar events, the principal amount of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or the Holders.

The Mortgage Indenture permits, with certain exceptions as therein provided, the Company and the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Mortgage Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, considered as one class; *provided, however*, that if there shall be Bonds of more than one series Outstanding under the Mortgage Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and *provided, further*, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and *provided, further*, that the Mortgage Indenture permits the Company and the Trustee to enter into one or more supplemental indentures for certain purposes without the consent of any Holders of Bonds. The Mortgage Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of Bonds, on behalf of the Holders of all such Bonds, to waive certain past defaults under the Mortgage Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in and subject to the provisions of the Mortgage Indenture, the Holder of this Bond shall not have the right to institute any proceeding with respect to the Mortgage Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of at least 25% in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of at least a majority in aggregate principal amount of Bonds at the time Outstanding a direction inconsistent with such written request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Bond for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Mortgage Indenture and no provision of this Bond or of the Mortgage Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Bond at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, the transfer of this Bond is registrable in the Bond Register, upon surrender of this Bond for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Bond are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Bonds of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Mortgage Indenture and subject to certain limitations therein set forth, Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series and of like tenor of a different authorized denomination, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company shall not be required to execute or to provide for the registration of the transfer of or the exchange of (A) any Bond of this series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of this series called for redemption, or (B) any Bond of this series selected for redemption in whole or in part, except the unredeemed portion of any Bond of this series being redeemed in part.

Prior to due presentment of this Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Bond is registered as the owner hereof for all purposes, whether or not this Bond is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereunder, except to the extent that the Trust Indenture Act shall be applicable.

As provided in the Mortgage Indenture, no recourse shall be had for the payment of the principal of, premium, if any, or interest with respect to this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or upon any obligation, covenant or agreement under the Mortgage Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Mortgage Indenture and all the Bonds are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Mortgage Indenture and the issuance of this Bond.

All terms used in this Bond which are not defined herein shall have the meanings assigned to them in the Mortgage Indenture.

ASSIGNMENT FORM

To assign this Bond, fill in the form below: (I) or (we) assign and transfer this Bond to _____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Bond on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____
(Sign exactly as your name appears on the face of this Bond)

Tax Identification No.:

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT D

[FORM OF 2.50% FIRST MORTGAGE BOND DUE 2031]

[FORM OF FACE OF BOND]

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE MORTGAGE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR BONDS IN CERTIFICATED FORM, THIS GLOBAL BOND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE FOLLOWING SUMMARY OF TERMS IS SUBJECT TO THE INFORMATION SET FORTH ON THE REVERSE HEREOF:

PRINCIPAL AMOUNT: \$2,000,000,000	ORIGINAL ISSUE DATE: June 19, 2020	INTEREST RATE: 2.50% per annum
MATURITY DATE: February 1, 2031	INTEREST PAYMENT DATES: February 1 and August 1 of each year, commencing February 1, 2021	THIS BOND IS A: ☒ Global Book-Entry Bond ☐ Certificated Bond

REGISTERED OWNER: Cede & Co., as nominee of The Depository Trust Company

PACIFIC GAS AND ELECTRIC COMPANY

2.50% FIRST MORTGAGE BOND DUE 2031

(Fixed Rate)

No. [•]
CUSIP [•]

Principal Amount: \$[•]

PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of California (herein called the “Company,” which term includes any successor Person pursuant to the applicable provisions of the Mortgage Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from and including the Original Issue Date stated above or, in the case of a 2.50% First Mortgage Bond Due 2031 issued upon the registration of transfer or exchange, from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates set forth above and on the Maturity Date stated above at the rate of 2.50% per annum until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Mortgage Indenture, be paid to the Person in whose name this 2.50% First Mortgage Bond Due 2031 (this “Bond”) (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, which shall be January 15 and July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date or on a Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, as set forth in Section 3.07 of the Mortgage Indenture, notice whereof shall be given to Holders of Bonds of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of the Mortgage Indenture and any securities exchange, if any, on which the Bonds of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in said Mortgage Indenture.

Payments of interest on this Bond will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Bond shall be computed and paid on the basis of the 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Bond (other than the Maturity Date) is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. If the Maturity Date falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest may be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after maturity.

Payment of principal of, premium, if any, and interest on the Bonds of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Bonds of this series represented by a Global Bond shall be made by wire transfer of immediately available funds to the Holder of such Global Bond, provided that, in the case of payments of principal and premium, if any, such Global Bond is first surrendered to the Paying Agent. If any of the Bonds of this series are no longer represented by a Global Bond, (i) payments of principal, premium, if any, and interest due on the Maturity Date or earlier redemption of such Bonds shall be made at the office of the Paying Agent upon surrender of such Bonds to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, (A) by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register or (B) by wire transfer to registered Holders of at least \$10,000,000 in principal amount of Bonds at such place and to such account at a banking institution in the United States as such Holders may designate in writing to the Trustee at least sixteen (16) days prior to the date for payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Bond shall not be entitled to any benefit under the Mortgage Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

PACIFIC GAS AND ELECTRIC COMPANY

By _____

By _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated as Bonds of the 2.50% First Mortgage Bonds due 2031 referred to in the within-mentioned Mortgage Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By:

Authorized Signatory

Dated:

This 2.50% First Mortgage Bond due 2031 is one of a duly authorized issue of Bonds of the Company (the “**Bonds**”), issued and issuable in one or more series under and equally secured by an Indenture of Mortgage, dated as of June 19, 2020 (such Mortgage Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Bonds, being herein called the “**Mortgage Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the “**Trustee**”, which term includes any successor trustee under the Mortgage Indenture), and reference is hereby made to the Mortgage Indenture for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of Bonds thereunder and of the terms and conditions upon which Bonds are, and are to be, authenticated and delivered. The acceptance of this Bond shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Mortgage Indenture.

The Bonds of this series are subject to Special Redemption in whole on the Special Redemption Date in the event that the Mandatory Redemption Event occurs at the Special Redemption Price. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

Subject to the terms and conditions of the Mortgage Indenture, the Bonds of this series are also redeemable at the option of the Company (“**Optional Redemption**”), in whole or in part (a) at any time after the Escrow Release Date and prior to November 1, 2030 (the “**Par Call Date**”) at a Redemption Price equal to the greater of:

(v) 100% of the principal amount of the 2031 Bonds to be redeemed; or

(vi) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of this series to be redeemed that would be due if the Bonds of this series matured on the Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 30 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date; and (b) at any time on or after the Par Call Date, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds of this series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

For purposes of determining the Redemption Price, the following terms have the following meanings:

“**Adjusted Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the Redemption Date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

“Comparable Treasury Issue” means, with respect to any Redemption Date, the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the Bonds of this series to be redeemed (assuming, for such purpose, that the Bonds of this series matured on the Par Call Date (the “remaining term”)), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Redemption Date:

- (5) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or
- (6) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations so received.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company for the Bonds.

“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC and (2) one other primary dealer in certain U.S. government securities selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to Holders of such Bonds of this series, or one or more Predecessor Bonds, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Mortgage Indenture.

In the case of an Optional Redemption, notice of redemption will be sent not less than 10 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds of this series to be redeemed. If money sufficient to pay the redemption price of all Bonds of this series (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent or the Trustee on or prior to the Redemption Date, from and after such Redemption Date such Bonds of this series or portions thereof shall cease to bear interest. The Bonds of this series in denominations larger than \$2,000 in principal amount may be redeemed in part but only in integral multiples of \$1,000.

In the event of redemption of this Bond in part only, a new Bond or Bonds of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, this Bond or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Mortgage Indenture and to be no longer Outstanding thereunder, and the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with money, if any, deposited with or held by the Trustee or such Paying Agent, will be sufficient to pay when due the principal of and premium, if any, and interest on this Bond when due.

If an Event of Default shall occur and be continuing as provided in the Mortgage Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount of all Bonds then Outstanding to be due and payable immediately by notice in writing to the Company (and to the Trustee if given by Holders); *provided, however*, that with respect to certain Events of Default relating to bankruptcy, insolvency and similar events, the principal amount of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or the Holders.

The Mortgage Indenture permits, with certain exceptions as therein provided, the Company and the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Mortgage Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, considered as one class; *provided, however*, that if there shall be Bonds of more than one series Outstanding under the Mortgage Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and *provided, further*, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and *provided, further*, that the Mortgage Indenture permits the Company and the Trustee to enter into one or more supplemental indentures for certain purposes without the consent of any Holders of Bonds. The Mortgage Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of Bonds, on behalf of the Holders of all such Bonds, to waive certain past defaults under the Mortgage Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in and subject to the provisions of the Mortgage Indenture, the Holder of this Bond shall not have the right to institute any proceeding with respect to the Mortgage Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of at least 25% in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of at least a majority in aggregate principal amount of Bonds at the time Outstanding a direction inconsistent with such written request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Bond for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Mortgage Indenture and no provision of this Bond or of the Mortgage Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Bond at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, the transfer of this Bond is registrable in the Bond Register, upon surrender of this Bond for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Bond are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Bonds of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Mortgage Indenture and subject to certain limitations therein set forth, Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series and of like tenor of a different authorized denomination, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company shall not be required to execute or to provide for the registration of the transfer of or the exchange of (A) any Bond of this series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of this series called for redemption, or (B) any Bond of this series selected for redemption in whole or in part, except the unredeemed portion of any Bond of this series being redeemed in part.

Prior to due presentment of this Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Bond is registered as the owner hereof for all purposes, whether or not this Bond is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereunder, except to the extent that the Trust Indenture Act shall be applicable.

As provided in the Mortgage Indenture, no recourse shall be had for the payment of the principal of, premium, if any, or interest with respect to this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or upon any obligation, covenant or agreement under the Mortgage Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Mortgage Indenture and all the Bonds are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Mortgage Indenture and the issuance of this Bond.

All terms used in this Bond which are not defined herein shall have the meanings assigned to them in the Mortgage Indenture.

ASSIGNMENT FORM

To assign this Bond, fill in the form below: (I) or (we) assign and transfer this Bond to _____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Bond on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____
(Sign exactly as your name appears on the face of this Bond)

Tax Identification No.:

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT E

[FORM OF 3.30% FIRST MORTGAGE BOND DUE 2040]

[FORM OF FACE OF BOND]

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE MORTGAGE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR BONDS IN CERTIFICATED FORM, THIS GLOBAL BOND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE FOLLOWING SUMMARY OF TERMS IS SUBJECT TO THE INFORMATION SET FORTH ON THE REVERSE HEREOF:

PRINCIPAL AMOUNT: \$1,000,000,000	ORIGINAL ISSUE DATE: June 19, 2020	INTEREST RATE: 3.30% per annum
MATURITY DATE: August 1, 2040	INTEREST PAYMENT DATES: February 1 and August 1 of each year, commencing February 1, 2021	THIS BOND IS A: ☒ Global Book-Entry Bond ☐ Certificated Bond

REGISTERED OWNER: Cede & Co., as nominee of The Depository Trust Company

PACIFIC GAS AND ELECTRIC COMPANY

3.30% FIRST MORTGAGE BOND DUE 2040

(Fixed Rate)

No. [•]
CUSIP [•]

Principal Amount: \$[•]

PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of California (herein called the “Company,” which term includes any successor Person pursuant to the applicable provisions of the Mortgage Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from and including the Original Issue Date stated above or, in the case of a 3.30% First Mortgage Bond Due 2040 issued upon the registration of transfer or exchange, from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates set forth above and on the Maturity Date stated above at the rate of 3.30% per annum until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Mortgage Indenture, be paid to the Person in whose name this 3.30% First Mortgage Bond Due 2040 (this “Bond”) (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, which shall be January 15 and July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date or on a Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, as set forth in Section 3.07 of the Mortgage Indenture, notice whereof shall be given to Holders of Bonds of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of the Mortgage Indenture and any securities exchange, if any, on which the Bonds of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in said Mortgage Indenture.

Payments of interest on this Bond will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Bond shall be computed and paid on the basis of the 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Bond (other than the Maturity Date) is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. If the Maturity Date falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest may be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after maturity.

Payment of principal of, premium, if any, and interest on the Bonds of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Bonds of this series represented by a Global Bond shall be made by wire transfer of immediately available funds to the Holder of such Global Bond, provided that, in the case of payments of principal and premium, if any, such Global Bond is first surrendered to the Paying Agent. If any of the Bonds of this series are no longer represented by a Global Bond, (i) payments of principal, premium, if any, and interest due on the Maturity Date or earlier redemption of such Bonds shall be made at the office of the Paying Agent upon surrender of such Bonds to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, (A) by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register or (B) by wire transfer to registered Holders of at least \$10,000,000 in principal amount of Bonds at such place and to such account at a banking institution in the United States as such Holders may designate in writing to the Trustee at least sixteen (16) days prior to the date for payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Bond shall not be entitled to any benefit under the Mortgage Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

PACIFIC GAS AND ELECTRIC COMPANY

By _____

By _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated as Bonds of the 3.30% First Mortgage Bonds due 2040 referred to in the within-mentioned Mortgage Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

Dated:

This 3.30% First Mortgage Bond due 2040 is one of a duly authorized issue of Bonds of the Company (the “**Bonds**”), issued and issuable in one or more series under and equally secured by an Indenture of Mortgage, dated as of June 19, 2020 (such Mortgage Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Bonds, being herein called the “**Mortgage Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the “**Trustee**”, which term includes any successor trustee under the Mortgage Indenture), and reference is hereby made to the Mortgage Indenture for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of Bonds thereunder and of the terms and conditions upon which Bonds are, and are to be, authenticated and delivered. The acceptance of this Bond shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Mortgage Indenture.

The Bonds of this series are subject to Special Redemption in whole on the Special Redemption Date in the event that the Mandatory Redemption Event occurs at the Special Redemption Price. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

Subject to the terms and conditions of the Mortgage Indenture, the Bonds of this series are also redeemable at the option of the Company (“**Optional Redemption**”), in whole or in part (a) at any time after the Escrow Release Date and prior to February 1, 2040 (the “**Par Call Date**”) at a Redemption Price equal to the greater of:

(vii) 100% of the principal amount of the 2040 Bonds to be redeemed; or

(viii) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of this series to be redeemed that would be due if the Bonds of this series matured on the Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 30 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date; and (b) at any time on or after the Par Call Date, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds of this series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

For purposes of determining the Redemption Price, the following terms have the following meanings:

“**Adjusted Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the Redemption Date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

“Comparable Treasury Issue” means, with respect to any Redemption Date, the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the Bonds of this series to be redeemed (assuming, for such purpose, that the Bonds of this series matured on the Par Call Date (the “remaining term”)), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Redemption Date:

- (7) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or
- (8) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations so received.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company for the Bonds.

“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC and (2) one other primary dealer in certain U.S. government securities selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to Holders of such Bonds of this series, or one or more Predecessor Bonds, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Mortgage Indenture.

In the case of an Optional Redemption, notice of redemption will be sent not less than 10 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds of this series to be redeemed. If money sufficient to pay the redemption price of all Bonds of this series (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent or the Trustee on or prior to the Redemption Date, from and after such Redemption Date such Bonds of this series or portions thereof shall cease to bear interest. The Bonds of this series in denominations larger than \$2,000 in principal amount may be redeemed in part but only in integral multiples of \$1,000.

In the event of redemption of this Bond in part only, a new Bond or Bonds of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, this Bond or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Mortgage Indenture and to be no longer Outstanding thereunder, and the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with money, if any, deposited with or held by the Trustee or such Paying Agent, will be sufficient to pay when due the principal of and premium, if any, and interest on this Bond when due.

If an Event of Default shall occur and be continuing as provided in the Mortgage Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount of all Bonds then Outstanding to be due and payable immediately by notice in writing to the Company (and to the Trustee if given by Holders); *provided, however*, that with respect to certain Events of Default relating to bankruptcy, insolvency and similar events, the principal amount of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or the Holders.

The Mortgage Indenture permits, with certain exceptions as therein provided, the Company and the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Mortgage Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, considered as one class; *provided, however*, that if there shall be Bonds of more than one series Outstanding under the Mortgage Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and *provided, further*, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and *provided, further*, that the Mortgage Indenture permits the Company and the Trustee to enter into one or more supplemental indentures for certain purposes without the consent of any Holders of Bonds. The Mortgage Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of Bonds, on behalf of the Holders of all such Bonds, to waive certain past defaults under the Mortgage Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in and subject to the provisions of the Mortgage Indenture, the Holder of this Bond shall not have the right to institute any proceeding with respect to the Mortgage Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of at least 25% in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of at least a majority in aggregate principal amount of Bonds at the time Outstanding a direction inconsistent with such written request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Bond for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Mortgage Indenture and no provision of this Bond or of the Mortgage Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Bond at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, the transfer of this Bond is registrable in the Bond Register, upon surrender of this Bond for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Bond are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Bonds of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Mortgage Indenture and subject to certain limitations therein set forth, Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series and of like tenor of a different authorized denomination, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company shall not be required to execute or to provide for the registration of the transfer of or the exchange of (A) any Bond of this series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of this series called for redemption, or (B) any Bond of this series selected for redemption in whole or in part, except the unredeemed portion of any Bond of this series being redeemed in part.

Prior to due presentment of this Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Bond is registered as the owner hereof for all purposes, whether or not this Bond is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereunder, except to the extent that the Trust Indenture Act shall be applicable.

As provided in the Mortgage Indenture, no recourse shall be had for the payment of the principal of, premium, if any, or interest with respect to this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or upon any obligation, covenant or agreement under the Mortgage Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Mortgage Indenture and all the Bonds are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Mortgage Indenture and the issuance of this Bond.

All terms used in this Bond which are not defined herein shall have the meanings assigned to them in the Mortgage Indenture.

ASSIGNMENT FORM

To assign this Bond, fill in the form below: (I) or (we) assign and transfer this Bond to _____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Bond on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____
(Sign exactly as your name appears on the face of this Bond)

Tax Identification No.:

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT F

[FORM OF 3.50% FIRST MORTGAGE BOND DUE 2050]

[FORM OF FACE OF BOND]

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY (AS DEFINED IN THE MORTGAGE INDENTURE) OR A NOMINEE THEREOF. THIS GLOBAL BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR ITS NOMINEE ONLY IN LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR BONDS IN CERTIFICATED FORM, THIS GLOBAL BOND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE FOLLOWING SUMMARY OF TERMS IS SUBJECT TO THE INFORMATION SET FORTH ON THE REVERSE HEREOF:

PRINCIPAL AMOUNT: \$1,925,000,000	ORIGINAL ISSUE DATE: June 19, 2020	INTEREST RATE: 3.50% per annum
MATURITY DATE: August 1, 2050	INTEREST PAYMENT DATES: February 1 and August 1 of each year, commencing February 1, 2021	THIS BOND IS A: ☒ Global Book-Entry Bond ☐ Certificated Bond

REGISTERED OWNER: Cede & Co., as nominee of The Depository Trust Company

PACIFIC GAS AND ELECTRIC COMPANY

3.50% FIRST MORTGAGE BOND DUE 2050

(Fixed Rate)

No. [•]
CUSIP [•]

Principal Amount: \$[•]

PACIFIC GAS AND ELECTRIC COMPANY, a corporation duly organized and existing under the laws of the State of California (herein called the “Company,” which term includes any successor Person pursuant to the applicable provisions of the Mortgage Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., as nominee for The Depository Trust Company, or registered assigns, the Principal Amount stated above on the Maturity Date stated above, and to pay interest thereon from and including the Original Issue Date stated above or, in the case of a 3.50% First Mortgage Bond Due 2050 issued upon the registration of transfer or exchange, from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates set forth above and on the Maturity Date stated above at the rate of 3.50% per annum until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Mortgage Indenture, be paid to the Person in whose name this 3.50% First Mortgage Bond Due 2050 (this “Bond”) (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest, which shall be January 15 and July 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date; provided, however, that interest payable at the Maturity Date or on a Redemption Date will be paid to the Person to whom principal is payable. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Bond (or one or more Predecessor Bonds) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, as set forth in Section 3.07 of the Mortgage Indenture, notice whereof shall be given to Holders of Bonds of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of the Mortgage Indenture and any securities exchange, if any, on which the Bonds of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in said Mortgage Indenture.

Payments of interest on this Bond will include interest accrued to but excluding the respective Interest Payment Dates. Interest payments for this Bond shall be computed and paid on the basis of the 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Bond (other than the Maturity Date) is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. If the Maturity Date falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest may be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after maturity.

Payment of principal of, premium, if any, and interest on the Bonds of this series shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts. Payments of principal of, premium, if any, and interest on the Bonds of this series represented by a Global Bond shall be made by wire transfer of immediately available funds to the Holder of such Global Bond, provided that, in the case of payments of principal and premium, if any, such Global Bond is first surrendered to the Paying Agent. If any of the Bonds of this series are no longer represented by a Global Bond, (i) payments of principal, premium, if any, and interest due on the Maturity Date or earlier redemption of such Bonds shall be made at the office of the Paying Agent upon surrender of such Bonds to the Paying Agent, and (ii) payments of interest shall be made, at the option of the Company, subject to such surrender where applicable, (A) by check mailed to the address of the Person entitled thereto as such address shall appear in the Bond Register or (B) by wire transfer to registered Holders of at least \$10,000,000 in principal amount of Bonds at such place and to such account at a banking institution in the United States as such Holders may designate in writing to the Trustee at least sixteen (16) days prior to the date for payment.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual or electronic signature, this Bond shall not be entitled to any benefit under the Mortgage Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: _____

PACIFIC GAS AND ELECTRIC COMPANY

By _____

By _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds of the series designated as Bonds of the 3.50% First Mortgage Bonds due 2050 referred to in the within-mentioned Mortgage Indenture.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Authorized Signatory

Dated:

This 3.50% First Mortgage Bond due 2050 is one of a duly authorized issue of Bonds of the Company (the “**Bonds**”), issued and issuable in one or more series under and equally secured by an Indenture of Mortgage, dated as of June 19, 2020 (such Mortgage Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Bonds, being herein called the “**Mortgage Indenture**”), between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (herein called the “**Trustee**”, which term includes any successor trustee under the Mortgage Indenture), and reference is hereby made to the Mortgage Indenture for a description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of Bonds thereunder and of the terms and conditions upon which Bonds are, and are to be, authenticated and delivered. The acceptance of this Bond shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Mortgage Indenture.

The Bonds of this series are subject to Special Redemption in whole on the Special Redemption Date in the event that the Mandatory Redemption Event occurs at the Special Redemption Price. The Company shall not be required to make any mandatory redemption or sinking fund payments with respect to the Bonds, except pursuant to Sections 801(a) or (b) of the First Supplemental Indenture.

Subject to the terms and conditions of the Mortgage Indenture, the Bonds of this series are also redeemable at the option of the Company (“**Optional Redemption**”), in whole or in part (a) at any time after the Escrow Release Date and prior to February 1, 2050 (the “**Par Call Date**”) at a Redemption Price equal to the greater of:

(ix) 100% of the principal amount of the 2050 Bonds to be redeemed; or

(x) as determined by the Quotation Agent, the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of this series to be redeemed that would be due if the Bonds of this series matured on the Par Call Date (not including any portion of payments of interest accrued as of the Redemption Date), discounted to the Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Adjusted Treasury Rate plus 30 basis points

plus, in either of the above cases, accrued and unpaid interest thereon to, but not including, the Redemption Date; and (b) at any time on or after the Par Call Date, in whole or in part, at a Redemption Price equal to 100% of the principal amount of the Bonds of this series to be redeemed, plus accrued and unpaid interest thereon to, but not including, the Redemption Date.

For purposes of determining the Redemption Price, the following terms have the following meanings:

“**Adjusted Treasury Rate**” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the Redemption Date. The Adjusted Treasury Rate will be calculated on the third Business Day preceding the Redemption Date.

“Comparable Treasury Issue” means, with respect to any Redemption Date, the United States Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the Bonds of this series to be redeemed (assuming, for such purpose, that the Bonds of this series matured on the Par Call Date (the “remaining term”)), that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such series of Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any Redemption Date:

- (9) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or
- (10) if the Quotation Agent obtains fewer than four of such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations so received.

“Quotation Agent” means the Reference Treasury Dealer appointed by the Company for the Bonds.

“Reference Treasury Dealer” means (1) each of J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC and (2) one other primary dealer in certain U.S. government securities selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Company, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by that Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding that Redemption Date.

Interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to Holders of such Bonds of this series, or one or more Predecessor Bonds, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Mortgage Indenture.

In the case of an Optional Redemption, notice of redemption will be sent not less than 10 days nor more than 60 days prior to the Redemption Date to each Holder of Bonds of this series to be redeemed. If money sufficient to pay the redemption price of all Bonds of this series (or portions thereof) to be redeemed on the Redemption Date is deposited with the Paying Agent or the Trustee on or prior to the Redemption Date, from and after such Redemption Date such Bonds of this series or portions thereof shall cease to bear interest. The Bonds of this series in denominations larger than \$2,000 in principal amount may be redeemed in part but only in integral multiples of \$1,000.

In the event of redemption of this Bond in part only, a new Bond or Bonds of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the surrender hereof.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, this Bond or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Mortgage Indenture and to be no longer Outstanding thereunder, and the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with money, if any, deposited with or held by the Trustee or such Paying Agent, will be sufficient to pay when due the principal of and premium, if any, and interest on this Bond when due.

If an Event of Default shall occur and be continuing as provided in the Mortgage Indenture, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding, considered as one class, may declare the principal amount of all Bonds then Outstanding to be due and payable immediately by notice in writing to the Company (and to the Trustee if given by Holders); *provided, however*, that with respect to certain Events of Default relating to bankruptcy, insolvency and similar events, the principal amount of all Bonds then Outstanding shall be due and payable immediately without further action by the Trustee or the Holders.

The Mortgage Indenture permits, with certain exceptions as therein provided, the Company and the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Mortgage Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, considered as one class; *provided, however*, that if there shall be Bonds of more than one series Outstanding under the Mortgage Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all series so directly affected, considered as one class, shall be required; and *provided, further*, that if the Bonds of any series shall have been issued in more than one Tranche and if a proposed supplemental indenture shall directly affect the rights of the Holders of Bonds of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Bonds of all Tranches so directly affected, considered as one class, shall be required; and *provided, further*, that the Mortgage Indenture permits the Company and the Trustee to enter into one or more supplemental indentures for certain purposes without the consent of any Holders of Bonds. The Mortgage Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of Bonds, on behalf of the Holders of all such Bonds, to waive certain past defaults under the Mortgage Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in and subject to the provisions of the Mortgage Indenture, the Holder of this Bond shall not have the right to institute any proceeding with respect to the Mortgage Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default, the Holders of at least 25% in aggregate principal amount of the Bonds at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of at least a majority in aggregate principal amount of Bonds at the time Outstanding a direction inconsistent with such written request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Bond for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Mortgage Indenture and no provision of this Bond or of the Mortgage Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Bond at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Mortgage Indenture and subject to certain limitations therein set forth, the transfer of this Bond is registrable in the Bond Register, upon surrender of this Bond for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Bond are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Bond Registrar, as the case may be, duly executed by the Holder hereof or such Holder's attorney duly authorized in writing, and thereupon one or more new Bonds of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Bonds of this series are issuable only in registered form without coupons in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. As provided in the Mortgage Indenture and subject to certain limitations therein set forth, Bonds of this series are exchangeable for a like aggregate principal amount of Bonds of this series and of like tenor of a different authorized denomination, as requested by the Holders surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Company shall not be required to execute or to provide for the registration of the transfer of or the exchange of (A) any Bond of this series during a period of 15 days immediately preceding the date notice is to be given identifying the serial numbers (or with respect to Global Bonds, CUSIP numbers) of the Bonds of this series called for redemption, or (B) any Bond of this series selected for redemption in whole or in part, except the unredeemed portion of any Bond of this series being redeemed in part.

Prior to due presentment of this Bond for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Bond is registered as the owner hereof for all purposes, whether or not this Bond is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

This Bond shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without regard to the principles of conflicts of laws thereunder, except to the extent that the Trust Indenture Act shall be applicable.

As provided in the Mortgage Indenture, no recourse shall be had for the payment of the principal of, premium, if any, or interest with respect to this Bond, or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or upon any obligation, covenant or agreement under the Mortgage Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Mortgage Indenture and all the Bonds are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Mortgage Indenture and the issuance of this Bond.

All terms used in this Bond which are not defined herein shall have the meanings assigned to them in the Mortgage Indenture.

ASSIGNMENT FORM

To assign this Bond, fill in the form below: (I) or (we) assign and transfer this Bond to _____

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Bond on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your signature: _____
(Sign exactly as your name appears on the face of this Bond)

Tax Identification No.:

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT G

Form of Special Redemption Notice

TO THE HOLDERS OF [] FIRST MORTGAGE BONDS DUE []

PACIFIC GAS AND ELECTRIC COMPANY

CUSIP No. []

NOTICE IS HEREBY GIVEN that Pacific Gas and Electric Company, a California corporation (the “**Issuer**”), pursuant to the Mortgage Indenture, dated as of June 19, 2020 (the “**Indenture**”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), as supplemented by the First Supplemental Indenture dated June 19, 2020 between the Issuer and the Trustee, will redeem all of its outstanding [] First Mortgage Bonds due [] (CUSIP No. []) (the “**Bonds**”) on [], 2020 (the “**Special Redemption Date**”) pursuant to Section 801 of the Indenture. The redemption price for each Bond will be \$1,010 per \$1,000 principal amount thereof, plus accrued and unpaid interest thereon from June 19, 2020 to, but excluding, the Redemption Date (the “**Special Redemption Price**”). Capitalized terms used herein (but otherwise not defined) shall have such meanings as set forth in the Indenture.

Unless the Issuer defaults in payment of the Special Redemption Price, interest on the Bonds called for redemption shall cease to accrue on and after the Redemption Date.

In order to receive the redemption payment, the Bonds called for redemption must be surrendered for payment at the following location of The Bank of New York Mellon Trust Company, N.A., the Trustee and Paying Agent. Bonds to be redeemed must be surrendered for payment: (a) in book-entry form by transferring the Bonds to be redeemed to the Trustee’s account at DTC in accordance with DTC’s procedures; or (b) by delivering the Bonds to be redeemed to the Trustee at:

The Bank of New York Mellon Trust Company, N.A.

[Trustee Contact Info]

The method of delivery of the Bonds is at the election and risk of the Holder. If delivered by mail, certified or registered mail, properly insured, is recommended. No representation is being made as to the correctness of the CUSIP numbers either as printed on the Bonds or as contained in this notice. Holders should rely only on the other identification numbers printed on the Bonds.

IMPORTANT NOTICE

For Holders of Bonds who have not established an exemption, payments made upon the redemption of the Bonds may be subject to U.S. federal withholding of 24% of the payments to be made, as and to the extent required by the provisions of the U.S. Internal Revenue Code. If Holders have not otherwise established an exemption from such withholding, then to do so, Holders of Bonds should submit a completed and signed Internal Revenue Service Form W-9 (or applicable Form W-8) when surrendering their Bonds for payment. Date: [], 20[] By: PACIFIC GAS AND ELECTRIC COMPANY

CALCULATION AGENCY AGREEMENT
BETWEEN
PACIFIC GAS AND ELECTRIC COMPANY
AND
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

FLOATING RATE FIRST MORTGAGE BONDS DUE 2022

THIS AGREEMENT is made as of June 19, 2020, between Pacific Gas and Electric Company, a California corporation, whose principal executive office is at 77 Beale Street, P.O. Box 770000, San Francisco, California 94117 (the "Corporation"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association, whose designated corporate trust office is at 400 South Hope Street, Suite 500, Los Angeles, California 90071 (together with any successor, called the "Calculation Agent").

W I T N E S S E T H :

WHEREAS, the Corporation has authorized the issuance of \$500,000,000 aggregate principal amount of its Floating Rate First Mortgage Bonds due June 16, 2022 (the "Bonds").

WHEREAS, the Corporation proposes to issue the Bonds under and pursuant to the terms of its Indenture of Mortgage, dated as of June 19, 2020 (the "Indenture"), between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture dated as of June 19, 2020 (the "Supplemental Indenture") relating to the Bonds. Terms used but not defined herein shall have the meanings assigned to them in the Indenture, as supplemented by the Supplemental Indenture.

WHEREAS, the Bonds are to bear interest at a rate per annum to be determined quarterly as set forth in the Supplemental Indenture.

For the purpose of appointing an agent to calculate the Interest Rate applicable to the Bonds as specified and described in the Supplemental Indenture, the Corporation and The Bank of New York Mellon Trust Company, N.A. hereby agree as follows:

1. Upon the terms and subject to the conditions contained herein, the Corporation hereby appoints the Calculation Agent as its calculation agent and the Calculation Agent hereby accepts such appointment as the Corporation's agent for the purpose of calculating the interest rates on the Bonds in the manner and at the times provided in the Bonds and the Supplemental Indenture.

2. On each interest determination date, the Calculation Agent shall determine the Interest Rate applicable to the Bonds for the relevant Interest Period, as provided for and contemplated by the Supplemental Indenture. The Calculation Agent shall notify the Corporation and the Trustee of such Interest Rate promptly after the

determination thereof. The Calculation Agent shall perform such other actions and undertake such other duties of the Calculation Agent as are described in the Supplemental Indenture to be performed or undertaken by the Calculation Agent. All interest determinations and other actions and duties of the Calculation Agent that are described in the Supplemental Indenture are incorporated herein by reference. The Calculation Agent shall not be responsible for determining the maximum rate of interest on any Bonds permitted by applicable law.

3. The Calculation Agent shall exercise due care to determine the interest rates on the Bonds and shall communicate the same to the Corporation, the Trustee, The Depository Trust Company and any paying agent identified by the Corporation in writing as soon as practicable after each determination. The Calculation Agent will, upon the request of the Holder of any Bond, provide the interest rate then in effect with respect to such Bond and, if determined, the interest rate with respect to such Bond which will become effective on the next Interest Payment Date. No amendment to the provisions of the Bonds relating to the duties or obligations of the Calculation Agent hereunder may become effective without the prior written consent of the Calculation Agent, which consent shall not be unreasonably withheld.

4. The Calculation Agent accepts its obligations set forth herein, upon the terms and subject to the conditions hereof, including the following, to all of which the Corporation agrees:

(a) The Calculation Agent shall be entitled to such compensation as may be agreed upon with the Corporation for all services rendered by the Calculation Agent, and the Corporation shall pay such compensation and to reimburse the Calculation Agent for the reasonable out-of-pocket expenses (including attorneys' and other professionals' fees and expenses) incurred by it in connection with the services rendered by it hereunder upon receipt of such invoices as the Corporation shall reasonably require. The Corporation shall also indemnify the Calculation Agent for, and to hold it harmless against, any and all loss, liability, damage, claim or expense (including the costs and expenses of defending against any claim (regardless of who asserts such claim) of liability) incurred by the Calculation Agent that arises out of or in connection with its accepting appointment as, or acting as, Calculation Agent hereunder, except such as may result from the gross negligence, willful misconduct or bad faith of the Calculation Agent or any of its agents or employees. The Calculation Agent shall incur no liability and shall be indemnified and held harmless by the Corporation for, or in respect of, any actions taken, omitted to be taken or suffered to be taken in good faith by the Calculation Agent in reliance upon (i) the opinion or advice of legal or other professional advisors satisfactory to it or (ii) written instructions from the Corporation. The Calculation Agent shall not be liable for any error resulting from the use of or reliance on a source of information used in good faith and with due care to calculate any interest rate hereunder. The provisions of this section shall survive the termination of this Agreement.

(b) In acting under this Agreement and in connection with the Bonds, the Calculation Agent is acting solely as agent of the Corporation and does not assume any obligations to or relationship of agency or trust for or with any of the owners or Holders of the Bonds.

(c) The Calculation Agent shall be protected and shall incur no liability for or in respect of any action taken or omitted to be taken or anything suffered by it in reliance upon the terms of the Bonds, any notice, direction, certificate, affidavit, statement or other paper, document or communication reasonably believed by it to be genuine and to have been approved or signed by the proper party or parties.

(d) The Calculation Agent, its officers, directors, employees and shareholders may become the owners of, or acquire any interest in, any Bonds, with the same rights that it or they would have if it were not the Calculation Agent, and may engage or be interested in any financial or other transaction with the Corporation as freely as if it were not the Calculation Agent.

(e) Neither the Calculation Agent nor its officers, directors, employees, agents or attorneys shall be liable to the Corporation for any act or omission hereunder, or for any error of judgment made in good faith by it or them, except in the case of its or their gross negligence, willful misconduct or bad faith.

(f) The Calculation Agent may consult with counsel of its selection and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(g) The Calculation Agent shall be obligated to perform such duties and only such duties as are herein specifically set forth, including duties described in the Supplemental Indenture to be performed or undertaken by the Calculation Agent, as provided in Section 2 hereof, and no implied duties or obligations shall be read into this Agreement against the Calculation Agent.

(h) Unless herein otherwise specifically provided, any order, certificate, notice, request, direction or other communication from the Corporation made or given by it under any provision of this Agreement shall be sufficient if signed by any officer of the Corporation.

(i) The Calculation Agent may perform any duties hereunder either directly or by or through agents or attorneys, and the Calculation Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(j) In no event shall the Calculation Agent be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Calculation Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) In no event shall the Calculation Agent be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused by, directly or indirectly, forces beyond its reasonable control, including without limitation strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software or hardware) services; it being understood that the Calculation Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(l) In no event shall the Calculation Agent be required to expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or power or otherwise incur any financial liability in the performance of its duties or the exercise of any of its rights or powers hereunder.

(m) The Corporation will provide to the Calculation Agent at least 30 days' written notice of any proposed change to the Bonds in the form attached to the Supplemental Indenture that would affect the Calculation Agent's duties and obligations under this Agreement. If in its good faith judgment, the Calculation Agent determines that such change would materially and adversely affect the Calculation Agent's duties and obligations under this Agreement, the Calculation Agent may resign in accordance with Section 5(a) hereof.

5. (a) The Calculation Agent may at any time resign by giving written notice to the Corporation of such intention on its part, specifying the date on which its desired resignation shall become effective; provided, however, that such date shall not be earlier than 30 days after the receipt of such notice by the Corporation, unless the Corporation agrees in writing to accept a shorter notice. The Calculation Agent may be removed at any time upon 30 days' notice by the filing with it of any instrument in writing signed on behalf of the Corporation and specifying such removal and the date when it is intended to become effective. Such resignation or removal shall take effect upon the date of the appointment by the Corporation, as hereinafter provided, of a successor Calculation Agent. If within 30 days after notice of resignation or removal has been given, a successor Calculation Agent has not been appointed, the Calculation Agent may, at the expense of the Corporation, petition a court of competent jurisdiction to appoint a successor Calculation Agent. A successor Calculation Agent shall be appointed by the Corporation by an instrument in writing signed on behalf of the Corporation and the successor Calculation Agent. Upon the appointment of a successor Calculation Agent and acceptance by it of such appointment, the Calculation Agent so succeeded shall cease to be such

Calculation Agent hereunder. Upon its resignation or removal, the Calculation Agent shall be entitled to the payment by the Corporation of its compensation, if any is owed to it, for services rendered hereunder and to the reimbursement of all reasonable out-of-pocket expenses incurred in connection with the services rendered by it hereunder and to the payment of all other amounts owed to it hereunder.

(b) Any successor Calculation Agent appointed hereunder shall execute and deliver to its predecessor and to the Corporation an instrument accepting such appointment hereunder, and thereupon such successor Calculation Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of such predecessor with like effect as if originally named as such Calculation Agent hereunder, and such predecessor, upon payment of its charges and disbursements then unpaid, shall thereupon become obliged to transfer and deliver, and such successor Calculation Agent shall be entitled to receive, copies of any relevant records maintained by such predecessor Calculation Agent.

(c) Any corporation into which the Calculation Agent may be merged, or any corporation with which the Calculation Agent may be consolidated, or any corporation resulting from any merger or consolidation or to which the Calculation Agent shall sell or otherwise transfer all or substantially all of its corporate trust assets or business shall, to the extent permitted by applicable law, be the successor Calculation Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto. Notice of any such merger, consolidation or sale shall forthwith be given to the Corporation and the Trustee.

6. Any notice required to be given hereunder shall be delivered in person, sent by letter or facsimile or communicated by telephone (subject, in the case of communication by telephone, to confirmation dispatched within twenty-four hours by letter or by facsimile), in the case of the Corporation, Pacific Gas and Electric Company, P.O. Box 770000, San Francisco, California 94177, telephone: (415) 973-1000, facsimile: (415) 973-6374, Attention: Treasurer, in the case of The Bank of New York Mellon Trust Company, N.A., to Corporate Trust Administration, 400 South Hope Street, Suite 500, Los Angeles, California 90071, telephone: (213) 630-6175, facsimile: (213) 630-6298 and, in the case of The Depository Trust Company, to Manager Announcements, Dividend Department, The Depository Trust Company, 55 Water Street - 25th Floor, New York, New York 10041, telephone: (212) 855-1000, facsimile: (212) 855-3726, or to any other address of which any party shall have notified the others in writing as herein provided. Any notice hereunder given by telephone, facsimile or letter shall be deemed to be received when in the ordinary course of transmission or post, as the case may be, it would be received.

The Calculation Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, pdf, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Calculation Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Calculation Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Calculation Agent in its discretion elects to act upon such instructions, the Calculation Agent's

understanding of such instructions shall be deemed controlling. The Calculation Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Calculation Agent's reliance upon and compliance with such instructions prior to receipt of a subsequent written instruction. The Corporation agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Calculation Agent including without limitation the risk of the Calculation Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

7. This Agreement and the Calculation Agent's appointment as Calculation Agent hereunder shall be construed and enforced in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such state, and without regard to conflicts of laws principles, and shall inure to the benefit of, and the obligations created hereby shall be binding upon, the successors and assigns of each of the parties hereto.

8. This Agreement may be executed by each of the parties hereto in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all such counterparts shall together constitute one and the same agreement.

9. In the event of any conflict relating to the rights or obligations of the Calculation Agent in connection with the calculation of the interest rates on the Bonds, the relevant terms of this Agreement shall govern such rights and obligations.

10. EACH OF THE CORPORATION AND THE CALCULATION AGENT HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY. Any legal action or proceeding with respect to this Agreement shall be brought exclusively in the courts of the State of New York located in the City of New York, Borough of Manhattan, or of the United States of America for the Southern District of New York and, by execution and delivery of this Agreement, each party hereto hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdiction.

11. The Calculation Agent, at the request of the Corporation, has determined, prior to the date of execution and delivery of this Agreement, the initial interest rate for the Bonds. In connection with such determination, the Calculation Agent shall be entitled to the same rights, protections, exculpations and immunities otherwise available to it under this Agreement.

12. The recitals contained herein shall be taken as the statements of the Corporation and the Calculation Agent assumes no responsibility for their correctness.

13. In order to comply with laws, rules, regulations and executive orders in effect from time to time applicable to banking institutions, including those relating to the funding of terrorist activities and money laundering and the Customer Identification

Program (“CIP”) requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Calculation Agent must obtain, verify and record information that allows the Calculation Agent to identify customers (“Applicable Law”), the Calculation Agent is required to obtain, verify and record certain information relating to individuals and entities which maintain a business relationship with the Calculation Agent. Accordingly, the Corporation agrees to provide to the Calculation Agent upon its request from time to time such identifying information and documentation as may be available for such party in order to enable the Calculation Agent to comply with Applicable Law, including, but not limited to, information as to name, physical address, tax identification number and other information that will help the Calculation Agent to identify and verify the Corporation, such as organizational documents, certificates of good standing, licenses to do business or other pertinent identifying information. The Corporation understands and agrees that the Calculation Agent cannot determine the interest rates on the Bonds unless and until the Calculation Agent verifies the identity of the Corporation in accordance with its CIP.

14. The Bank of New York Mellon Corporation is a global financial organization that provides services to clients through its affiliates and subsidiaries in multiple jurisdictions (the “BNY Mellon Group”). The BNY Mellon Group may centralize functions including audit, accounting, risk, legal, compliance, sales, administration, product communication, relationship management, storage, compilation and analysis of customer-related data, and other functions (the “Centralized Functions”) in one or more affiliates, subsidiaries and third-party service providers. Notwithstanding anything contained elsewhere in this Agreement, Corporation consents to the disclosure of and authorizes BNY Mellon to disclose information regarding Corporation to the BNY Mellon Group and to its third-party service providers who are subject to confidentiality obligations with respect to such information, in connection with the Centralized Functions. In addition, the BNY Mellon Group may aggregate Corporation data with other data collected and/or calculated by the BNY Mellon Group and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Corporation or Corporation’s data with Corporation. In addition, BNY Mellon may store the names and business addresses of Corporation’s employees on the systems or in the records of the BNY Mellon Group or its service providers for purposes of the Centralized Functions, and Corporation consents and is authorized to consent to such storage and confirms that the disclosure to and storage by the BNY Mellon Group of such information does not violate any relevant data protection legislation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Margaret K. Becker

Name: Margaret K. Becker

Title: Senior Director and Treasurer

THE BANK OF NEW YORK MELLON,
TRUST COMPANY, N.A.
as Calculation Agent

By: /s/ Lawrence M. Kusch

Name: Lawrence M. Kusch

Title: Vice President

ESCROW DEPOSIT AND DISBURSEMENT AGREEMENT

This Escrow Deposit and Disbursement Agreement (this “Agreement”) is entered into as of June 19, 2020, by and among Pacific Gas and Electric Company, a California corporation (the “Company”), and The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the “Escrow Agent”), and as trustee (in such capacity, the “Trustee”) under that certain Indenture of Mortgage, dated as of June 19, 2020, between the Company and the Trustee (the “Base Indenture”), as supplemented by the First Supplemental Indenture, dated as of June 19, 2020 (the “First Supplemental Indenture,” and the Base Indenture as supplemented by the First Supplemental Indenture, the “Indenture”).

RECITALS

WHEREAS, pursuant to the Indenture, the Company will issue its \$500,000,000 aggregate principal amount of its Floating Rate First Mortgage Bonds due 2022, \$2,500,000,000 aggregate principal amount of its 1.75% First Mortgage Bonds due 2022, \$1,000,000,000 aggregate principal amount of its 2.10% First Mortgage Bonds due 2027, \$2,000,000,000 aggregate principal amount of its 2.50% First Mortgage Bonds due 2031, \$1,000,000,000 aggregate principal amount of its 3.30% First Mortgage Bonds due 2040 and \$1,925,000,000 aggregate principal amount of its 3.50% First Mortgage Bonds due 2050 (such First Mortgage Bonds being herein collectively referred to as the “Bonds” and the holders of the Bonds being herein collectively referred to as the “Bondholders”);

WHEREAS, the Company and PG&E Corporation previously filed voluntary petitions for relief (the “Chapter 11 Cases”) under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the U.S. Bankruptcy Court for the Northern District of California (the “Bankruptcy Court”) on January 29, 2019;

WHEREAS, on June 11, 2020, the Order Approving Plan Funding Transactions and Documents [Docket No. 7909] was entered by the Bankruptcy Court; and

WHEREAS, under the terms of the Indenture, funds in the Escrow Account (as defined herein) will only be released to the Company upon delivery by the Company of a Release Request (as defined herein) certifying that, prior to or concurrently with the release of the Escrow Account, the Escrow Conditions (as defined herein) have been or will be satisfied.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual agreements hereinafter contained, the Company hereby agrees with the Escrow Agent and the Trustee, for the benefit of the Bondholders, as follows:

AGREEMENT

1. DEFINED TERMS. Capitalized terms used in this Agreement and not otherwise defined shall have the meanings given them in the Indenture.

2. APPOINTMENT OF THE ESCROW AGENT. The Escrow Agent is hereby designated and appointed to act as escrow agent in accordance with the terms and conditions of this Agreement, and the Escrow Agent hereby accepts such designation and appointment.

3. ESCROW ACCOUNT.

(a) On the issuance date of the Bonds (the “Issuance Date”), the Company shall deposit or cause to be deposited with the Escrow Agent, by wire transfer in immediately available funds in accordance with the wire instructions of the Escrow Agent set forth on Exhibit A, the following amounts, into an escrow account in the name of the Company titled “PG&E Utility FMB Escrow” established hereby with the Escrow Agent (the “Escrow Account”):

(i) cash in the amount of \$8,848,429,500, being the aggregate net proceeds of the offering of the Bonds (the “Net Principal Amount”); and

(ii) cash in the amount of \$218,784,371.53, being the sum of (A) the aggregate amount of interest accruing on the Bonds from the Issuance Date to, but not including September 14, 2020, and (B) the aggregate amount sufficient to fund (together with the Net Principal Amount) the redemption of the Bonds at a redemption price of 101% of the aggregate principal amount of the Bonds, payable on the date of the mandatory redemption of the Bonds pursuant to Section 801 of the First Supplemental Indenture (the “Interest and Premium Amount” and, together with the Net Principal Amount, the “Escrowed Amount”).

(b) The Escrow Collateral (as defined herein) shall be held by the Escrow Agent and shall not be subject to any lien, attachment or any other judicial process of any creditor of any party hereto (other than the lien and security interest of the Trustee pursuant to Section 3(c)). The Escrow Agent agrees to accept delivery of the Escrowed Amount and to hold such Escrowed Amount and all other amounts on deposit from time to time in the Escrow Account, in escrow, subject to the terms and conditions of this Agreement.

(c) The Company hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in all of the Company’s right, title and interest, whether now owned or hereafter acquired, in, to and under (i) the Escrow Account, (ii) all money, instruments, investment property, and other property on deposit in, credited to, or carried in the Escrow Account and (iii) all “proceeds” (as such term is defined in Section 9-102(a) of the Uniform Commercial Code as from time to time in effect in the State of New York (the “UCC”)) of any of the foregoing (collectively, the “Escrow Collateral”), to secure all of the Company’s obligations under the Indenture (the “Secured Obligations”). The Escrow Agent hereby agrees to comply with entitlement orders originated by the Trustee and instructions originated by the Trustee (in each case, acting at the written direction of Bondholders holding a majority of the aggregate principal amount of the Bonds outstanding) directing disposition of the funds in the Escrow Account, in each case without further consent of the Company or any other Person. The Escrow Agent hereby acknowledges the Trustee’s security interest and lien as set forth herein

and agrees not to enter into any other agreement with respect to the control of the Escrow Account. The “securities intermediary’s jurisdiction” of the Escrow Agent is the State of New York for purposes of the UCC, including Section 9-305 and 8-110 thereof. The Escrow Account and all property held therein by the Escrow Agent shall be under the “control” (within the meaning of Section 9-104 of the UCC) of the Trustee. Without duplication of its obligations under the Indenture, the Company hereby (i) agrees to file, on behalf of the Trustee, one or more UCC financing statements and continuation statements in each applicable jurisdiction and filing office in respect of the security interest granted herein, (ii) agrees to execute and deliver or cause to be executed and delivered, all assignments, instruments and other documents, and take any other actions that are necessary to perfect, continue the perfection of, or protect the first priority of the Trustee’s security interest in and to the Escrow Collateral and (iii) agrees not to grant or suffer to exist any other Person (other than the Trustee) to obtain a security interest or lien on the Escrow Collateral or any of the Company’s rights therein.

(d) To the extent permitted by applicable law, all rights of the Trustee hereunder, the grant of a security interest in the Escrow Collateral and all obligations of the Company hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Indenture and any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Indenture and any agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (iii) any exchange, release or non-perfection of any security interest or lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations or (iv) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Company in respect of the Secured Obligations or this Agreement (other than payment in full of the Secured Obligations).

4. INVESTMENT OF ESCROW ACCOUNT. The Escrow Agent shall, at the written direction of any of the Chief Financial Officer, the Treasurer (each, a “Prime Officer”), the Senior Manager of Banking and Money Management and the Cash Manager of the Company (together with the Prime Officers, each, an “Authorized Officer”), invest or reinvest amounts in the Escrow Account in Permitted Investments. In selecting any Permitted Investment for investment, the Company shall determine that the proceeds thereof at maturity (which maturity shall occur on or before the Redemption Trigger Date), when added to the balance of the Escrow Collateral without the reinvestment thereof or sale prior to maturity, provide funds to the Escrow Agent in an amount at least equal to the Escrowed Amount. All such property shall be held in the Escrow Account until disbursed in accordance with the terms hereof. If the Escrow Agent does not receive written instructions from an Authorized Officer directing the investment or reinvestment of the amounts in the Escrow Account, funds in the Escrow Account shall remain uninvested until the Escrow Agent has received appropriate written instructions from an Authorized Officer. The Escrow Agent shall not in any way be held liable for the selection of any investments hereunder, for monitoring or determining whether an investment qualifies as a Permitted Investment or by reason of any insufficiency in the Escrow Account resulting from any loss on any Escrow Collateral included therein. In addition, the Escrow Agent shall not have any liability in respect of losses incurred as a result of the liquidation of any investment prior to its stated maturity or the failure

by any party to provide timely written investment direction. “Permitted Investments” means cash, including cash in an interest bearing account, and U.S. Government Securities maturing no later than the Redemption Trigger Date. “U.S. Government Securities” means (a) any security which is (i) a direct obligation of the United States for the payment of which the full faith and credit of the United States is pledged or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States, which, in the case of clause (i) or (ii), is not callable or redeemable at the option of the issuer of the obligation and (b) any depositary receipt issued by a bank (as defined in the Securities Act) as custodian with respect to any security specified in clause (a) above and held by such bank for the account of the holder of such depositary receipt or with respect to any specific payment of principal of or interest on any such security held by any such bank, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Securities or the specific payment of interest on or principal of the U.S. Government Securities evidenced by such depositary receipt.

5. ESCROW CONDITIONS. For purposes of this Agreement, the “Escrow Conditions” are as follows:

(a) the Confirmation Order shall be in full force and effect and no stay thereof shall be in effect;

(b) neither the Plan of Reorganization nor the Confirmation Order shall have been amended or modified or any condition contained therein waived, in either case, in any manner materially adverse to the Bondholders;

(c) all conditions precedent to the effectiveness of the Plan of Reorganization (other than the receipt by the Company of the net proceeds from the offering of the Bonds) shall have been, or substantially concurrently with the release of the funds held in the Escrow Account, will be, satisfied or waived (to the extent such waiver is not materially adverse to the Bondholders);

(d) the Company and PG&E Corporation shall be in compliance in all material respects with the Confirmation Order;

(e) all documents necessary to implement the Plan of Reorganization and the financing and distributions contemplated thereunder shall have been executed;

(f) (i) the transactions as described and defined in the Plan of Reorganization to occur upon the Effective Date (as defined in the Plan of Reorganization) shall have been consummated, or substantially concurrently with the release of the funds held in the Escrow Account will be consummated, including the following:

(A) PG&E Corporation shall have consummated, or shall consummate substantially concurrently with the release of the funds held in the Escrow Account, one or more public or private offerings (including rights offerings) or private placements of common stock of PG&E Corporation (including securities exercisable for, exchangeable or convertible into, or purchase contracts to acquire, common stock of PG&E Corporation), for aggregate gross proceeds of at least \$9.0 billion;

(B) PG&E Corporation (1) shall have entered into, or shall enter into substantially concurrently with the release of the funds held in the Escrow Account, the HoldCo Credit Agreements (as defined herein), and shall have borrowed, or shall borrow substantially concurrently with the release of the funds held in the Escrow Account, pursuant to the HoldCo Term Loan Credit Agreement (as defined herein), and (2) shall have consummated, or shall consummate substantially concurrently with the release of the funds held in the Escrow Account, one or more public or private offerings of senior secured notes, in an aggregate principal amount, together with the aggregate gross proceeds of borrowings pursuant to clause (1), equal to \$4.75 billion; and

(C) the Company shall have entered into, or shall enter into substantially concurrently with the release of the funds held in the Escrow Account, the Utility Credit Agreements (as defined herein), and shall have borrowed, or shall borrow substantially concurrently with the release of the funds held in the Escrow Account, certain amounts pursuant to the New Utility Term Loan Credit Agreement, an aggregate gross amount equal to \$11.925 billion less the principal amount of the Bonds issued on the Issue Date; and

(ii) the Company and PG&E Corporation shall have received, or shall receive substantially concurrently with the release of the funds held in the Escrow Account, the net proceeds from each of the financing transactions described in clauses (A) through (C) above;

(g) (i) all obligations under the DIP Facilities (as defined in the Plan of Reorganization) (other than contingent obligations not yet due and payable) shall have been paid in full (and all commitments thereunder terminated), or shall be paid in full (and all commitments thereunder terminated) substantially concurrently with the release of the funds held in the Escrow Account, and (ii) all liens related thereto shall have been extinguished, terminated or otherwise released or shall be extinguished, terminated or otherwise released substantially concurrently with the release of the funds held in the Escrow Account; and

(h) (i) the Lien Effective Date (as defined herein) shall have occurred, or shall occur substantially concurrently with the release of the funds held in the Escrow Account and (ii) the Indenture will be in recordable form and in form and substance sufficient to create a valid lien on and security interest in the Mortgaged Property (as defined herein) and the Company shall have made arrangements to effect the recordation of duplicate originals thereof in each county in which the Mortgaged Property is located.

As used in this Section 5, the following terms shall have the following meanings:

“Confirmation Order” has the meaning set forth in the Indenture.

“HoldCo Credit Agreements” means the HoldCo Revolving Credit Agreement and the HoldCo Term Loan Credit Agreement.

“HoldCo Revolving Credit Agreement” means the senior secured revolving credit agreement consisting of a \$500,000,000 revolving credit facility to be entered into by and among PG&E Corporation, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders time to time party thereto, pursuant to a commitment letter dated May 26, 2020.

“HoldCo Term Loan Credit Agreement” means the senior secured term loan credit agreement consisting of a \$2,750,000,000 term loan facility to be entered into by and among PG&E Corporation, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and the lenders time to time party thereto.

“Lien Effective Date” has the meaning set forth in Indenture.

“Mortgaged Property” means property that is subject to the lien of the Indenture.

“Plan of Reorganization” means the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated December 12, 2019 (as amended on January 31, 2020, March 9, 2020, March 16, 2020, May 22, 2020 and as may be further amended, modified or supplemented from time to time) in the form confirmed by the Bankruptcy Court pursuant to the Confirmation Order (provided that such plan shall be in the form filed by PG&E Corporation and the Company with the Bankruptcy Court on June 14, 2020, except for any changes thereto that are not materially adverse to the Bondholders).

“Utility Credit Agreements” means (i) the revolving credit agreement consisting of a \$3,500,000,000 revolving credit facility to be entered into by and among the Company, JPMorgan Chase Bank, N.A., and Citibank, N.A. as co-administrative agents, and the lenders from time to time party thereto, pursuant to a commitment letter dated May 26, 2020 and (ii) the term loan credit agreement (the “New Utility Term Loan Credit Agreement”) consisting of an up to \$4,500,000,000 364-day term loan facility and an up to \$1,500,000,000 18-month term loan facility to be entered into by and among the Company, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders from time to time party thereto, pursuant to a commitment letter dated May 26, 2020.

6. ADMINISTRATION AND RELEASE OF ESCROW ACCOUNT. The Escrow Agent shall administer the Escrow Collateral as follows:

(a) The Escrow Agent shall hold and dispose of the Escrow Collateral only in accordance with the terms hereof.

(b) If on or before 12:00 p.m. (Pacific Time) on September 9, 2020 (the “Redemption Trigger Date”), the Escrow Agent receives an officer’s certificate (the “Release Request”) in the form attached hereto as Exhibit B, stating that prior to, or concurrently with, the release of the Escrow Collateral, the Escrow Conditions have been or will be satisfied, executed by a Prime Officer, then the Escrow Agent, acting at the written direction of the Company, shall liquidate all Escrow Collateral then held by it and shall deliver to the Company all amounts on deposit in the Escrow Account, by wire transfer in immediately available funds on or before 7:00 a.m. (Pacific Time) on the date, and in accordance with the Company’s wiring instructions, set forth in the Release Request. The Escrow Agent shall confirm to the Company when the amounts set forth in the Release Request have been disbursed by it in accordance with the Release Request, and shall provide the Fed Reference Number for each such distribution. The Escrow Agent shall not have any duty to determine, monitor, investigate or confirm whether the Escrow Conditions have been satisfied and shall be entitled to conclusively rely on the Release Request delivered by the Company.

(c) (i) If on or before 12:00 p.m. (Pacific Time) on the Redemption Trigger Date, the Escrow Agent receives a written notice from the Company (executed by a Prime Officer) or the Trustee (acting at the written direction of the Holders of at least a majority in aggregate principal amount of the Bonds) substantially in the form set forth in Exhibit C (an “Escrow Redemption Notice”), to the effect that the Escrow Conditions will not be satisfied by the Redemption Trigger Date, which notice shall set forth the Special Redemption Date and the applicable redemption price, then the Escrow Agent, at the written direction of the Company or the Trustee, shall liquidate all Escrow Collateral then held by it and shall deliver to the Trustee on or before 7:00 a.m. (Pacific Time) on the Special Redemption Date an amount equal to the sum of (i) the Net Principal Amount deposited pursuant to Section 3(a)(i) plus (ii) accrued interest on the Bonds to but not including the Special Redemption Date plus (iii) the aggregate amount sufficient to fund (together with the Net Principal Amount) the redemption of the Bonds at a redemption price of 101% of the aggregate principal amount of the Bonds, by wire transfer in immediately available funds in accordance with the wiring instructions of the Trustee. Any funds remaining in the Escrow Account thereafter shall be immediately released and delivered to the Company (after the payment of any outstanding fees and expenses of the Escrow Agent) upon the written instructions of a Prime Officer of the Company.

(ii) In the event that a Release Request has not been delivered pursuant to Section 6(b) prior to 12:00 p.m. (Pacific Time) on the Redemption Trigger Date, the Trustee shall deliver an Escrow Redemption Notice to the Escrow Agent pursuant to this Section 6(c) to the effect that a mandatory redemption of the Bonds is to occur on September 14, 2020, which notice shall set forth the Escrow Redemption Price. Upon receipt of such Escrow Redemption Notice, the Escrow Agent shall liquidate all Escrow Collateral then held by it and shall deliver to the Trustee on or before 7:00 a.m. (Pacific Time) on September 14, 2020 an amount equal to the Escrowed Amount, by wire transfer in immediately available funds in accordance with the wiring instructions of the Trustee. Any funds remaining in the Escrow Account thereafter shall be immediately released and delivered to the Company (after the payment of any outstanding fees and expenses of the Escrow Agent) upon the written instructions of a Prime Officer of the Company.

(d) Notwithstanding Sections 6(b) and 6(c) above, if on any day the Escrow Agent receives a written notice from the Trustee (acting in accordance with the terms of the Indenture) substantially in the form set forth in Exhibit D (an “Acceleration Notice”) stating that the principal of, and accrued interest on, the Bonds of any series (the “Default Amount”), have become immediately due and payable pursuant to Section 10.02 of the Base Indenture, the Escrow Agent shall liquidate all Escrow Collateral then held by it and shall deliver to the Trustee, on or before 7:00 a.m. (Pacific Time) on the third Business Day after such day, an amount on deposit in the Escrow Account equal to the Default Amount, in accordance with the wiring instructions of the Trustee set forth in the Acceleration Notice. The Escrow Agent shall have no responsibility to review or confirm the Trustee’s calculations and shall be entitled to conclusively rely thereon.

As used in this Section 6, “Special Redemption Date” means the earlier of (a) September 14, 2020 and (b) any other Business Day selected by the Company and set forth in the notice of redemption, with respect to a Special Redemption, given to Bondholders in accordance with the redemption notice provision of the Indenture.

7. TERMINATION. Except as provided in Sections 8(b) and 8(d), this Agreement shall terminate at such time as all funds from the Escrow Account have been released or paid in accordance with the terms of this Agreement.

8. CONCERNING THE ESCROW AGENT.

(a) The Company agrees to pay the Escrow Agent’s fees and expenses for all services rendered by it hereunder and the Escrow Agent’s reasonable attorneys’ fees and expenses incurred by it in connection with carrying out its duties hereunder.

(b) The Company agrees to indemnify the Escrow Agent for, and to hold the Escrow Agent (which for purposes of this Section 8(b) shall include its officers, directors, employees and agents) harmless from and against any and all claims, losses, liabilities, costs, disbursements, damages or expenses (including reasonable attorneys’ fees and expenses and court costs) (collectively, “Losses”), arising from or in connection with or related to this Agreement or being the Escrow Agent hereunder, provided, however, that nothing contained herein shall require the Escrow Agent to be indemnified for Losses caused by its gross negligence, willful misconduct or bad faith. Anything in this Agreement to the contrary notwithstanding, in no event shall the Escrow Agent or the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Escrow Agent or the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Escrow Agent or the termination of this Agreement. The Escrow Agent shall not have, and hereby waives, any lien, security interest, right of set-off, or other encumbrance with respect to the Escrow Account or any money, instruments, investment property, or other property on deposit in, credited to, or carried in the Escrow Account, to secure its rights to be paid any amounts owing under Sections 8(a) or 8(b), and the Escrow Agent agrees that it shall look solely to the Company, and not to the Escrow Collateral, for the payment of any such amounts (except as set forth in Section 6(c)).

(c) The Escrow Agent shall prepare and deliver to the Company, promptly after the end of the month in which this Agreement is terminated, a written account describing all transactions with respect to the Escrow Account.

(d) The duties and responsibilities of the Escrow Agent hereunder shall be determined solely by the express provisions of this Agreement, and no other or further duties or responsibilities shall be implied. The Escrow Agent shall not be subject to, nor required to comply with, nor required to inquire as to the performance of any obligation under, any other agreement between or among the Company and the Trustee or to which either of them is a party, even though reference thereto may be made herein, or to comply with any direction or instruction (other than those contained herein or delivered in accordance with this Agreement) from the Company or the Trustee or any entity acting on its behalf. The Escrow Agent shall not be required to, and shall not, expend or risk any of its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

(e) The Escrow Agent may act upon any instrument or other writing provided by an Authorized Officer of the Company believed by it in good faith to be genuine, and to be signed or presented by the proper person, and shall not be liable in connection with the performance by it of its duties pursuant to the provisions of this Agreement, except for its own willful misconduct, bad faith or gross negligence. The Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such instrument or other writing. The Escrow Agent shall have no duty to solicit any payments which may be due hereunder.

(f) Any corporation or other entity into which the Escrow Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Escrow Agent in its individual capacity shall be a party, or any corporation or other entity to which substantially all the corporate trust business of the Escrow Agent in its individual capacity may be transferred, shall be the Escrow Agent under this Agreement without further act.

(g) The Escrow Agent shall not be liable for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence, bad faith or willful misconduct on its part. In no event shall the Escrow Agent be liable (i) for acting in accordance with or relying upon (and shall be fully protected in relying upon) any instruction, notice, demand, certificate or document from the Company or the Trustee, any entity acting on behalf of the Company or the Trustee or any other person or entity which it reasonably believes to be genuine, (ii) for the acts or omissions of its nominees, correspondents, designees, subagents or subcustodians selected by it with due care, or (iii) for an amount in excess of the value of the Escrow Collateral.

(h) The Escrow Agent shall not be responsible in any respect for the form, execution, validity, value or genuineness of documents or securities deposited hereunder, or for any description therein, or for the identity, authority or rights of persons executing or delivering or purporting to execute or deliver any such document, security or endorsement.

(i) The Escrow Agent may consult with legal counsel at the expense of the Company as to any matter relating to this Agreement, and the Escrow Agent shall not incur any liability in acting in good faith in accordance with any advice from such counsel.

(j) The Escrow Agent shall not be liable for any error of judgment made in good faith by a responsible officer of the Escrow Agent, unless it shall be proved that the Escrow Agent was negligent in ascertaining the pertinent facts.

(k) The Escrow Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Escrow Agent (including, but not limited to, any act or provision of any present or future law or regulation or governmental authority, any act of God or war or terrorism, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility).

(l) The Escrow Agent shall exercise the same degree of care in the custody and preservation of the Escrow Collateral in its possession as it exercises toward its own similar property and shall not be held to any higher standard of care under this Agreement, nor be deemed to owe any fiduciary duty to the Company, the Trustee, the Bondholders or any other party.

9. RESIGNATION OF THE ESCROW AGENT; APPOINTMENT OF SUCCESSOR. The Escrow Agent may at any time resign by giving sixty (60) days' prior written notice of resignation to the Company. The Company may at any time remove the Escrow Agent by giving sixty (60) days' prior written notice signed by the Company to the Escrow Agent. If the Escrow Agent shall resign or be removed, a successor Escrow Agent, which shall be a bank or trust company having assets in excess of \$1,000,000,000 shall be appointed by the Company and written notice of such appointment shall be given to the Escrow Agent, such successor Escrow Agent and the Trustee by written instrument executed by the Company and, upon the later to occur of (i) the delivery of such notice and such successor Escrow Agent having entered into this Agreement or any written successor agreement no less favorable to the interests of the Trustee and the Bondholders than this Agreement and (ii) delivery of all Escrow Collateral and copies of all books, records and other documents in the Escrow Agent's possession relating to the Escrow Collateral or this Agreement to such successor Escrow Agent, the resignation or removal of the predecessor Escrow Agent shall become effective and such successor Escrow Agent, without any further act, deed or conveyance, shall become vested with all right, title and interest to all cash and property held hereunder of such predecessor Escrow Agent, and such predecessor Escrow Agent shall be paid any outstanding fees and expenses of the Escrow Agent. Such predecessor Escrow Agent shall, on the written request of the Company, on the one hand, or the successor Escrow Agent, on the other hand, execute and deliver to such successor Escrow Agent an assignment of all rights hereunder (in form and substance satisfactory to the parties executing the same) of such predecessor Escrow Agent. If no successor Escrow Agent shall have been appointed within sixty (60) days of a notice of resignation by the Escrow Agent, the Escrow Agent's sole responsibility shall thereafter be to hold the Escrow Collateral until the earlier of its receipt of designation of a successor Escrow Agent, or a written instruction by the Company. If a successor Escrow Agent has not accepted such appointment by the end of such sixty (60) day period, the Escrow Agent may, in its sole discretion, apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief, and thereafter be relieved of all further duties and obligations as Escrow Agent hereunder. The costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Escrow Agent in connection with such proceeding shall be paid by, and be deemed an obligation of the Company.

10. ESCROW AGENT'S OBLIGATIONS IN THE EVENT OF AMBIGUITIES, CONFLICTING CLAIMS, ETC. (a) In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by the Escrow Agent hereunder, the Escrow Agent may, in its sole discretion, refrain from taking any action other than retain possession of the Escrow Collateral, unless and until the Escrow Agent receives written instructions, signed by the Company and the Trustee, which eliminates such ambiguity or uncertainty.

(b) In the event of any dispute between or conflicting claims by or among the Company, the Trustee and/or any other person or entity with respect to any Escrow Collateral, the Escrow Agent shall be entitled, in its sole discretion, to refuse to comply with any and all claims, demands

or instructions with respect to such Escrow Collateral so long as such dispute or conflict shall continue, and the Escrow Agent shall not be or become liable in any way to any Company or the Trustee for failure or refusal to comply with such conflicting claims, demands or instructions. The Escrow Agent shall be entitled to refuse to act until, in its sole discretion, either (i) such conflicting or adverse claims or demands shall have been determined by a final order, judgment or decree of a court of competent jurisdiction, which order, judgment or decree is not subject to appeal, or settled by agreement between the conflicting parties as evidenced in a writing satisfactory to the Escrow Agent, or (ii) the Escrow Agent shall have received security or an indemnity satisfactory to it sufficient to hold it harmless from and against any and all Losses which it may incur by reason of so acting. The Escrow Agent may, in addition, elect, in its sole discretion, to commence an interpleader action or seek other judicial relief or orders as it may deem, in its sole discretion, necessary. The costs and expenses (including reasonable attorneys' fees and expenses) incurred in connection with such proceeding shall be paid by, and shall be deemed an obligation of the Company.

11. MISCELLANEOUS.

(a) **AMENDMENTS AND WAIVERS.** Any term of this Agreement may be amended or waived with the written consent of the parties or their respective successors and assigns. Any amendment or waiver effected in accordance with this Section 11(a) shall be binding upon the parties and their respective successors and assigns.

(b) **SUCCESSORS AND ASSIGNS.** The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties; provided, that no party may assign any or all of its rights, title or interests herein without the prior written consent of the other parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(c) **GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York. Each party hereto hereby submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof. Each party hereto hereby waives the right to trial by jury and to assert counterclaims in any such proceedings. To the extent that in any jurisdiction any party hereto may be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (whether before or after judgment) or other legal process, each such party hereby irrevocably agrees not to claim, and hereby waives, such immunity. Each party hereto waives personal service of process and consents to service of process by certified or registered mail, return receipt requested, directed to it at the address last specified for notices hereunder, and such service shall be deemed completed ten (10) calendar days after the same is so mailed.

(d) COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic sound, symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Without limiting the generality of the foregoing, the Company hereby (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Trustee and the Bondholders, electronic images of this Agreement, including with respect to any signature pages hereto, shall have the same legal effect, validity and enforceability as any paper original, and (ii) waives any argument, defense or right to contest the validity or enforceability of this Agreement based solely on the lack of paper original copies of this Agreement, including with respect to any signature pages hereto.

(e) TITLES AND SUBTITLES. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(f) NOTICES. Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission or other direct written electronic means, on the date of transmission, and if transmitted by registered or certified mail or reputable overnight courier, on the date of receipt. Notices should be given as follows:

If to the Company:

Pacific Gas and Electric Company
77 Beale Street
P.O. Box 770000
San Francisco, California 94177
Attention: Senior Director and Treasurer
Fax: (415) 973-4343/267-7265
Email: MKBd@pge.com

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Global Corporate Trust Unit
Fax: (213) 630-6298

If to the Escrow Agent:

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Global Corporate Trust Unit
Fax: (213) 630-6298

(g) SEVERABILITY. If any provision of this Agreement, including any phrase, sentence, clause, Section or subsection, is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatsoever.

(h) ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. Any and all other prior written or oral agreements existing between the parties hereto regarding such subject matter are expressly canceled.

(i) AUTHORIZED OFFICERS. The Company shall, on the date of this Agreement, deliver to the other parties a certificate as to the incumbency and specimen signature of at least two Authorized Officers authorized to act for and give and receive notices, requests and instructions on behalf of the Company in connection with this Agreement. From time to time, the Company may, by delivering to the other parties a revised certificate, change the information previously given, but each of the parties hereto shall be entitled to rely conclusively on the then-current schedule until receipt of a superseding schedule. The Trustee shall, on the date of this Agreement, deliver to the other parties a certificate as to the incumbency and specimen signature of at least two officers or other representatives of the Trustee authorized to act for and give and receive notices, requests and instructions on behalf of the Trustee in connection with this Agreement. From time to time, the Trustee may, by delivering to the other parties a revised certificate, change the information previously given, but each of the parties hereto shall be entitled to rely conclusively on the then-current schedule until receipt of a superseding schedule.

(j) FATCA. The Company agrees (i) to provide the Escrow Agent with such reasonable information as it has in its possession to enable the Escrow Agent to determine whether any payments pursuant to this Agreement are subject to the withholding requirements described in Section 1471(b) of the Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code and any regulations, or agreements thereunder or official interpretations thereof ("Applicable Law"), and (ii) that the Escrow Agent shall be entitled to make any withholding or deduction from payments under this Agreement to the extent necessary to comply with Applicable Law, for which the Escrow Agent shall not have any liability.

(k) ESCROW AGENT'S ORDERS. If at any time the Escrow Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the Escrow Collateral (including, but not limited to, orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of the Escrow Collateral), the Escrow Agent is authorized to comply therewith in any manner as it or its legal counsel of its own choosing deems appropriate; and if the Escrow Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, the Escrow Agent shall not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(l) REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company hereby represents and warrants that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation, enforceable in accordance with its terms (except as the enforcement thereof may be limited by bankruptcy, reorganization, insolvency (including without limitation, all laws relating to fraudulent transfers), moratorium or other laws relating to or affecting creditors' rights and remedies generally and except as the enforcement thereof is subject to equitable principles regardless of whether enforcement is considered in a proceeding at law or in equity). The execution, delivery and performance of this Agreement by the Company does not violate any applicable law or regulation to which the Company is subject and does not require the consent of any governmental or other regulatory body to which the Company is subject, except for such consents and approvals as have been obtained and are in full force and effect. The Company is, with respect to the Escrow Collateral delivered pursuant to this Agreement, the beneficial owner of such Escrow Collateral, free and clear of any Lien or claims of any Person (except for the security interest granted under this Agreement) and is the only "entitlement holder" (as defined in Section 8-102(a)(7) of the UCC) of the Escrow Account and the "financial assets" (as defined in Section 8-102(a) of the UCC).

(m) REPRESENTATIONS AND WARRANTIES OF THE ESCROW AGENT AND THE TRUSTEE. The Escrow Agent and the Trustee each hereby represents and warrants that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms. The Trustee hereby represents and warrants that the person executing this Agreement is duly authorized to so execute this Agreement, and that this Agreement has been duly executed and delivered on its behalf.

[remainder of page intentionally blank]

The parties have executed this Agreement as of the date first above written.

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Margaret K. Becker
Name: Margaret K. Becker
Title: Senior Director and Treasurer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Escrow Agent

By: /s/ Lawrence M. Kusch
Name: Lawrence M. Kusch
Title: Vice President

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: /s/ Lawrence M. Kusch
Name: Lawrence M. Kusch
Title: Vice President

EXHIBIT A

WIRE INSTRUCTIONS OF THE ESCROW AGENT

The Bank of New York Mellon

ABA#: 021000018

Type Account No.

IMMS: 4785808400

Account Name: PG&E Utility FMB Escrow

Attn: Ray Torres 213-630-6175

EXHIBIT B
RELEASE REQUEST

, 2020

The undersigned Prime Officer, acting in such person's capacity as an officer of Pacific Gas and Electric Company (the "Company"), does hereby certify to the Escrow Agent and the Trustee, on behalf of the Company, in accordance with Section 6(b) of the Escrow Deposit and Disbursement Agreement, dated as of June 19, 2020 (the "Escrow Agreement"; capitalized terms used herein and not otherwise defined have the meanings set forth in the Escrow Agreement), by and among the Company and The Bank of New York Mellon Trust Company, N.A., as Escrow Agent and Trustee, that:

- (1) such person is authorized to execute this Release Request on behalf of the Company; and
- (2) prior to, or concurrently with, the release of the Escrow Collateral, the Escrow Conditions set forth in Section 5 of the Escrow Agreement have been or will be satisfied.

The Escrow Agent is hereby directed to liquidate all Escrow Collateral then held by it and release and deliver all amounts in the Escrow Account on or before 7:00 a.m. (Pacific Time) on [DATE] as follows: [insert transfer instructions].

PACIFIC GAS AND ELECTRIC COMPANY

By: _____
Name:
Title:

EXHIBIT C

ESCROW REDEMPTION NOTICE

, 2020

This notice is being delivered to the Escrow Agent pursuant to Section 6(c) of the Escrow Deposit and Disbursement Agreement, dated as of June 19, 2020 (the "Escrow Agreement"; capitalized terms used herein and not otherwise defined have the meanings set forth in the Escrow Agreement), by and among Pacific Gas and Electric Company, The Bank of New York Mellon Trust Company, N.A., as Escrow Agent and Trustee.

The undersigned hereby certifies to the Escrow Agent that (i) the Escrow Conditions will not be satisfied and a mandatory redemption of the Bonds shall occur and (ii) the sum of the amounts required to be released from the Escrow Account to the Trustee (which equals the Net Principal Amount plus accrued interest on the Bonds to but not including the third Business Day after the date hereof plus the aggregate amount sufficient to fund (together with the Net Principal Amount) the redemption of the Bonds at a redemption price of 101% of the principal amount of the Bonds) is:

- For the Floating Rate Bonds: \$____
- For the 2022 Bonds: \$____
- For the 2027 Bonds: \$____
- For the 2031 Bonds: \$____
- For the 2040 Bonds: \$____
- For the 2050 Bonds: \$____
- Total: \$____

The Escrow Agent shall release and deliver in accordance with Section 6(c) of the Escrow Agreement from the amounts on deposit in the Escrow Account on or before 7:00 a.m. (Pacific Time) on [DATE] an amount equal to the total sum set forth above to the Trustee as follows: [insert transfer instructions].

[PACIFIC GAS & ELECTRIC COMPANY][THE BANK OF
NEW YORK MELLON TRUST COMPANY, N.A., as
Trustee]

By: _____
Name:
Title:

EXHIBIT D

ACCELERATION NOTICE

_____, 2020

This notice is being delivered to Pacific Gas and Electric Company (the “Company”) and the Escrow Agent pursuant to Section 6(d) of the Escrow Deposit and Disbursement Agreement, dated as of June 19, 2020 (the “Escrow Agreement” ; capitalized terms used herein and not otherwise defined have the meanings set forth in the Escrow Agreement), by and among the Company, The Bank of New York Mellon Trust Company, N.A., as Escrow Agent and Trustee.

This notice constitutes the Acceleration Notice under the Escrow Agreement, and the undersigned hereby certifies to you pursuant to Section 6(d) of the Escrow Agreement that (a) the Default Amount has become immediately due and payable pursuant to Section [] of the Indenture with respect to the series of Bonds set forth below and (b) the Default Amount for all such Bonds is: \$

Series of Bonds in respect of which the Default Amount has
become due and payable: _____

The Escrow Agent shall release and deliver, in accordance with Section 6(d) of the Escrow Agreement, an amount in the Escrow Account equal to the Default Amount to the Trustee on or before 7:00 a.m. (Pacific Time) on the third Business Day after the date hereof as follows: [insert transfer instructions].

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: _____
Name:
Title:



HUNTON ANDREWS KURTH LLP
200 PARK AVENUE
NEW YORK, NY 10166-0005

TEL 212 • 309 • 1000
FAX 212 • 309 • 1100

June 19, 2020

Pacific Gas and Electric Company
77 Beale Street
San Francisco, California 94105

Re: Pacific Gas and Electric Company
Registration Statement on Form S-3, as amended

Ladies and Gentlemen:

We have served as special counsel to Pacific Gas and Electric Company, a California corporation (the “Company”), in connection with the issuance and sale by the Company of (i) \$500,000,000 aggregate principal amount of Floating Rate First Mortgage Bonds due June 16, 2022, (ii) \$2,500,000,000 aggregate principal amount of 1.75% First Mortgage Bonds due June 16, 2022, (iii) \$1,000,000,000 aggregate principal amount of 2.10% First Mortgage Bonds due August 1, 2027, (iv) \$2,000,000,000 aggregate principal amount of 2.50% First Mortgage Bonds due February 1, 2031, (v) \$1,000,000,000 aggregate principal amount of 3.30% First Mortgage Bonds due August 1, 2040, and (vi) \$1,925,000,000 aggregate principal amount of 3.50% First Mortgage Bonds due August 1, 2050, (collectively, the “Mortgage Bonds”), covered by the Company’s Registration Statement (the “Registration Statement”) on Form S-3, as amended (File No. 333-236629), including the prospectus constituting a part thereof, dated June 9, 2020, and the final prospectus supplement, dated June 16, 2020 (collectively, the “Prospectus”), filed by the Company with the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Securities Act”).

The Mortgage Bonds were issued under the Company’s Indenture of Mortgage, dated as of June 19, 2020 (the “Original Mortgage”) between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), as supplemented by the First Supplemental Indenture, dated as of June 19, 2020, establishing the forms, terms and other provisions of the Mortgage Bonds (the “Supplemental Indenture,” and together with the Original Mortgage, the “Mortgage”). The Mortgage Bonds were sold by the Company pursuant to the Underwriting Agreement, dated June 16, 2020 (the “Underwriting Agreement”), among the Company, J.P. Morgan Securities LLC, Barclays Capital Inc., BofA Securities, Inc., Citigroup Global Markets Inc. and Goldman Sachs & Co. LLC, as representatives of the several underwriters named therein.

ATLANTA AUSTIN BANGKOK BEIJING BOSTON BRUSSELS CHARLOTTE DALLAS DUBAI HOUSTON LONDON LOS ANGELES
MIAMI NEW YORK NORFOLK RALEIGH/DURHAM RICHMOND SAN FRANCISCO THE WOODLANDS TYSONS WASHINGTON, DC
www.HuntonAK.com

In rendering the opinion expressed below, we have examined and relied upon copies of the Registration Statement and the exhibits filed therewith, and the Mortgage. We have also examined originals, or copies of originals certified to our satisfaction, of such agreements, documents, certificates and statements of government officials and other instruments, and have examined such questions of law and have satisfied ourselves as to such matters of fact, as we have considered relevant and necessary as a basis for this opinion letter. We have assumed: (i) the genuineness of all signatures; (ii) the legal capacity of natural persons; (iii) the authenticity of all documents submitted to us as originals and (iv) the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents. We have also assumed that the Mortgage will be the valid and legally binding obligation of the Trustee.

Based on the foregoing, and subject to the qualifications and limitations hereinafter set forth, we are of the opinion that the Mortgage Bonds, when duly authenticated by the Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Mortgage, will constitute the valid and binding obligations of the Company (subject to bankruptcy, insolvency, liquidation, receivership, reorganization, moratorium, fraudulent conveyance, transfer or other laws of general applicability relating to or affecting the enforcement of mortgagees' and other creditors' rights and by the effect of general principles of equity, regardless of whether considered in a proceeding at law or in equity).

We do not express any opinion herein concerning any law other than the law of the State of New York, the General Corporation Law of the State of California and the federal law of the United States.

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to all references to us included in or made a part of the Registration Statement. In giving the foregoing consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the SEC thereunder. This opinion letter is limited to the matters stated in this opinion letter, and no opinion may be implied or inferred beyond the matters expressly stated in this opinion letter. This opinion letter is given as of the date hereof, and we assume no obligation to advise you after the date hereof of facts or circumstances that come to our attention or changes in the law, including judicial or administrative interpretations thereof, that occur which could affect the opinions contained herein.

Very truly yours,

/s/ Hunton Andrews Kurth LLP

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