



**Pacific Gas and  
Electric Company.**

# LETTER AGREEMENT NO. 07-27-PGE

**IBEW**



PACIFIC GAS AND ELECTRIC COMPANY  
LABOR RELATIONS DEPARTMENT  
MAIL CODE N2Z  
P. O. BOX 770000  
SAN FRANCISCO, CA 94177  
(415) 973-4310

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, AFL-CIO  
LOCAL UNION 1245, I.B.E.W.  
P.O. BOX 2547  
VACAVILLE, CALIFORNIA 95696  
(707) 452-2700

STEPHEN RAYBURN  
DIRECTOR AND CHIEF NEGOTIATOR

TOM DALZELL  
BUSINESS MANAGER

June 26, 2007

Mr. Tom Dalzell, Business Manager  
Local Union No. 1245  
International Brotherhood of  
Electrical Workers, AFL-CIO  
P.O. Box 2547  
Vacaville, CA 95687

Dear Mr. Dalzell:

The Company proposes to eliminate the PacifiCare HMO and its affiliate Medicare HMO, Secure Horizons effective January 1, 2008. Members will continue to have access to the Health Net and Blue Shield HMO plans, which are also medical group/IPA style HMOs. Our analysis shows that 99.9% percent of member's primary care physicians are contracted with either the Blue Shield or Health Net HMOs.

To provide another option for Medicare retirees, the Company proposes to add the nationwide Blue Cross SmartValue Private Medicare Fee-for-Service Plan effective January 1, 2008. Like the Secure Horizons Plan, this plan is a Medicare Part C plan so it has similar pricing and benefits.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: \_\_\_\_\_

  
Stephen A. Rayburn  
Director and Chief Negotiator

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

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

July 2, 2007

By: \_\_\_\_\_

  
Tom Dalzell  
Business Manager