

## PACIFIC GAS AND ELECTRIC COMPANY

PGE



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October 13, 1987

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

As agreed during our recent discussions pursuant to Section 7.2 of the Health and Dental Benefit Agreement, the Company proposes to permit certain Health Maintenance Organizations (HMO's) to expand their service territories in accordance with Attachment 1.

Attachment 2 is a list of counties in our service territory with an indication of the HMO's serving employees in each county and the HMO's proposed expansion.

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

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By *JWBright*  
 Manager of Industrial Relations

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

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

*Nov 2*

, 1987

By *Jack McNally*  
 Business Manager

Attachment 1

The Company proposes to allow the following Health Maintenance Organizations to expand to the areas listed below:

BAY PACIFIC:

Proposed: Santa Clara County

Current: Alameda, Contra Costa, Marin,  
San Francisco and San Mateo Counties

FOUNDATION:

Proposed: Fresno, Merced, Solano, Stanislaus and Tehama Counties

Current: Amador, Butte, Calaveras, Colusa, El Dorado, Glenn,  
Nevada, Placer, Sacramento, San Joaquin, Sutter,  
Tuolumne, Yolo and Yuba Counties

HEALTH NET:

Proposed: Marin, Napa, Nevada, Placer, Sacramento, San Francisco,  
San Joaquin, San Mateo, Santa Clara, Santa Cruz,  
Solano, Sonoma and Yolo Counties

Current: Kern, San Luis Obispo and Santa Barbara Counties

MAXICARE (formerly HEALTH AMERICA):

Proposed: Kern, Sacramento, Santa Barbara, Santa Cruz and  
Sonoma Counties

Current: Alameda, Contra Costa, Marin, San Francisco, San Mateo  
and Santa Clara Counties

TAKECARE:

Proposed: Fresno and Madera Counties

Current: Alameda, Contra Costa, Marin, Merced, Placer, Sacramento,  
San Francisco, San Joaquin, San Mateo, Santa Clara,  
Santa Cruz, Sonoma, Stanislaus and Yolo Counties

VALUCARE:

Proposed: Kings County

Current: Fresno and Madera Counties

Attachment 2

HEALTH MAINTENANCE ORGANIZATIONS

1 Bay Pacific	5 HP of America	9 Lifeguard
2 Foundation	6 HP of Redwoods	10 TakeCare
3 Heals	7 Maxicare	11 ValuCare
4 Health Net	8 Kaiser	

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<u>Counties</u>	<u>HMO's Currently Serving Area</u>	<u>HMO's Proposing to Expand to Area</u>
Alameda	1, 3, 5, 7, 8, 9, 10	2, 4
Amador	2, 8	
Butte	2, 5	
Calaveras	2	
Colusa	2	
Contra Costa	1, 3, 5, 7, 8, 9, 10	2, 4
El Dorado	2, 5, 8	
Fresno	5, 8, 11	2, 10
Glenn	2, 5	
Kern	4	7
Kings	8	11
Madera	5, 8, 11	10
Marin	1, 5, 7, 8, 10	4
Merced	10	2
Napa	5, 8	4
Nevada	2	4
Placer	2, 5, 8, 10	4
Sacramento	2, 5, 8, 10	4, 7
San Francisco	1, 5, 7, 8, 10	4
San Joaquin	2, 8, 9, 10	4
San Luis Obispo	4	

HEALTH MAINTENANCE ORGANIZATIONS (continued)

1 Bay Pacific	5 HP of America	9 Lifeguard
2 Foundation	6 HP of Redwoods	10 TakeCare
3 Heals	7 Maxicare	11 ValuCare
4 Health Net	8 Kaiser	

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<u>Counties</u>	<u>HMO's Currently Serving Area</u>	<u>HMO's Proposing to Expand to Area</u>
San Mateo	1, 5, 7, 8, 9, 10	4
Santa Barbara	4	7
Santa Clara	5, 7, 8, 9, 10	1, 4
Santa Cruz	5, 10	4, 7
Solano	5, 8, 9	2, 4
Sonoma	5, 6, 8, 10	4, 7
Stanislaus	9, 10	2
Sutter	2, 8	
Tehama	5	2
Tulare	8	
Tuolumne	2	
Yolo	2, 5, 8, 10	4
Yuba	2, 8	