



LETTER AGREEMENT NO. R4-93-122-PGE



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
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INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

RONALD L. BAILEY, MANAGER OR
DAVID J. BERGMAN, DIRECTOR AND CHIEF NEGOTIATOR

JACK McNALLY, BUSINESS MANAGER

May 27, 1994

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally

Gentlemen:

Company proposes to formalize a practice of allowing employees to voluntarily decline benefit coverage as provided under the Medical, Dental and Vision (MDV) agreement.

Company proposes pursuant to Section 4 of the MDV agreement to provide employees with a formal option to voluntarily decline coverage under the Medical, Dental or Vision plans, effective January 1, 1994. This voluntary opt-out alternative is applicable to all full-time, part-time or intermittent status employees who wish to decline medical, and/or dental and/or vision coverage for any reason, at any time.

Employees who choose to decline medical coverage when they are initially eligible for any of the PG&E medical plans must review and execute a declination form pursuant to California law regarding late enrollees.

Employees and their dependents who are eligible to be covered under the PG&E medical plans and who decline coverage during an initial enrollment period will not be subject to the Late Enrollment process wherein the employee provides evidence of insurability to Prudential to obtain Prudential coverage exclusively only if:

- Employee was covered under another employer health plan at the time he/she was eligible to enroll in the PG&E medical plans; and
- Employee certified at the time of the declination that he/she was covered by another plan and that is the reason why coverage was initially declined; and
- Employee's coverage has ended or will end under that other plan because of death or divorce of the person through whom the dependent was covered, termination of employment or of the plan, change in employment status, or cessation of employer contributions; and
- Employee enrolls in a PG&E medical plan within 30 days after termination of coverage as described above.

Once enrolled, employees may decline coverage by indicating in writing to the Company their desire to opt-out of the benefit plans or by making this election during the normal Open Enrollment period.

In the event an employee has elected to opt-out, he/she may re-enroll in the benefit plans outside of Open Enrollment or the Late Enrollment process only as a result of the following specified events:

- > divorce, or
- > spouse's death, or
- > spouse's termination of employment, or
- > spouse's termination of benefits.

The time frame for enrolling in the PG&E benefits plans, as a result of any of the above-listed occurrences will be within 31 days of the event. Written documentation proving the event will be required. Coverage will become effective as of the first of the month following the timely submission of an enrollment form. If an employee does not enroll within this time limit, he/she will have to wait for a period of Open Enrollment or apply for coverage through the Late Enrollment process.

In addition, if a bargaining unit employee with dependent children is married to a PG&E FLEX employee and the bargaining unit employee chooses to opt-out, the bargaining unit employee's dependent children will be considered as newly acquired dependents and eligible to enroll onto the Flex employee's plan within 31 days from the date the bargaining unit employee's coverage terminates.

Except as a result of an occurrence referenced above, in order to re-obtain coverage subsequent to an election to opt-out, employees must wait for the next Open Enrollment period or complete the Late Enrollment process in order to reobtain medical coverage. Employees who elect to opt-out of the dental and/or vision benefit plans may re-enroll during an enrollment period. Eligible dependents, not previously enrolled in the dental and/or vision plans, may only be added during an Open Enrollment period, or as a result of a family status change.

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

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
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

June 6, 1994

By: 
Business Manager