

PACIFIC GAS AND ELECTRIC COMPANY INDUSTRIAL RELATIONS DEPARTMENT 2850 SHADELANDS DRIVE, SUITE 100 WALNUT CREEK, CALIFORNIA 94598 (925) 974-4104

DIRECTOR AND CHIEF NEGOTIATOR

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

IBEW

BUSINESS MANAGER

March 1, 2004

LETTER AGREEMENT

NO. 04-13-PGE

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

Attention: Mr. Perry Zimmerman, Business Manager

Dear Mr. Zimmerman:

STEPHEN RAYBURN

During general negotiations, the parties agreed to modifications in the Long-Term Disability (LTD) Plan. The revised LTD language in the Physical and Clerical table settlements includes under Section 2.19 Duration of Long-Term Disability Benefits, Item F, "If Participant becomes eligible for Long-Term Disability Benefits at age 64 or older, two years." Some employees may go on LTD after reaching age 63 but prior to reaching age 64. This language would not allow for them to remain on LTD for two full years prior to reaching the normal retirement age of 65.

Company proposes that Section 2.19 Duration of Long-Term Disability Benefits, Item F, be amended to state, "If Participant becomes eligible for Long-Term Disability Benefits at age 63 or older, two full years."

In addition, during general negotiations, the parties agreed to replace the UnitedHealthcare Point of Service, Preferred Provider Option and Out-of-Area Plans with a new Preferred Provider Plan referred to as the Comprehensive Access and Network Access Plans. The general negotiations settlement package included home hospice care at a 90% coverage level, but inadvertently during printing excluded inpatient hospice care. Both inpatient and outpatient hospice programs deliver the same type of services to patients, but an outpatient program has family members or close friends as the primary caregivers while an inpatient program has aides and nurses as the primary caregivers. Both programs offer specialists who focus on pain and medication management and patient and family counseling. They both focus on helping the patient and his loved ones transition toward death with comfort and dignity.

To ensure consistency, confirm our understandings in the plan provisions and to maintain a cost neutral design, which will allow members to select the appropriate hospice benefit based on personal needs, this clarifies that both the inpatient and outpatient hospice benefit are covered at the 90% level.

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

Stephen À 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

aug 6, 2004

Bv: molima Perry Zimmerman Business Manager