



**Pacific Gas and
Electric Company.**

LETTER AGREEMENT NO. 04-60-PGE

IBEW



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

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 A. RAYBURN,
DIRECTOR AND CHIEF NEGOTIATOR

PERRY ZIMMERMAN,
BUSINESS MANAGER

December 8, 2004

Mr. Perry Zimmerman, Business Manager
Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 2547
Vacaville, CA 95696

Dear Mr. Zimmerman:

In order to better serve employees and reduce processing time, our life insurance carrier will begin assuming all administrative functions for PG&E's group life insurance plan.

Accordingly, the Company proposes to amend the Benefit Agreement dated January 1, 1994, Part II, Group Life Insurance and Long-Term Disability Plan, Section 2.05 – How to Join; first paragraph, and Section 2.06 – Amount of Coverage and Cost, Subsection C, second paragraph, to replace “employer” with “Administrator” as follows:

Section 2.05 How to Join

To join, an employee must fill out and submit to the ~~employer~~ Administrator an application form supplied by the ~~employer~~ Administrator authorizing deduction of monthly premiums from the employee's pay check, and naming a beneficiary. A Participant may change the beneficiary at any time by submitting a change of beneficiary form to the ~~employer~~ Administrator. An individual certificate is issued to the employee, on request, upon acceptance of the application form.
(Amended 1/1/05)

Section 2.06 Amount of Coverage and Cost

- C. Regardless of the amount of coverage elected, a Participant may not have that coverage decreased. However, a Participant who makes such an election will have an opportunity once each calendar year by submitting the appropriate form to the ~~employer~~ Administrator, to increase the amount of insurance coverage to any higher amount permitted by the provisions of this Section until full normal insurance coverage is attained by the Participant. Except when the Participant is on vacation or off due to a holiday, if a Participant is not actively at work at the time (e.g., on sick leave), an increase in the amount of coverage will become effective on the day the Participant returns to work. A Participant who has elected less than full coverage and who does not increase coverage for five consecutive years and who subsequently wishes to increase the coverage will be required to undergo and successfully pass a physical examination, at the Participant's expense. (Amended 1/1/05)

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: Francis Miller Davis for
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

12, 17, _____, 2004

By: Perry Zimmerman
Perry Zimmerman
Business Manager