

NO. 07-51-PGE



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 A. RAYBURN, DIRECTOR AND CHIEF NEGOTIATOR TOM DALZELL, BUSINESS MANAGER

October 23, 2007

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

Dear Mr. Dalzell:

Since many Medicare retirees are reaching the lifetime maximum medical and/or prescription benefit amounts provided by the Medicare Supplemental Plan (MSP) as outlined in Letter Agreement 03-29-PGE, the Company proposes the following.

- Once a retiree reaches the lifetime maximum for either medical or prescription benefits, s/he will be eligible to enroll in another retiree medical program offered by PG&E. The effective date of the new medical plan will be the first of the following month after enrollment.
- Once a retiree has reached the lifetime maximum for either medical or prescription benefits and elects to enroll in another retiree medical plan, s/he will not be eligible to reenroll in the MSP at any future date.
- Retirees have the option of continuing in the MSP if they have reached the lifetime
 maximum for either medical or prescription benefits, however, they will continue to
 receive only the annual \$1,000 restoration to the lifetime maximum as outlined in LA 0329-PGE and no further medical and/or prescription coverage will be provided.

This proposal is contingent on all three of the Unions at PG&E being in agreement. Should one or more Unions not be in agreement, this proposal will be moot.

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 Pacific Gas and Electric Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

Bv:

Stephen 🕭. 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

November 29, 2007

By:

Tom Dalzell

Business Manager