

## PACIFIC GAS AND ELECTRIC COMPANY

PGE + 245 MARKET STREET • SAN FRANCISCO, CALIFORNIA 94106 • (415) 781-4211 • TWX 910-372-6587

December 2, 1986

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

Attention: Mr. M. A. Mederos, Assistant 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 offer the following:

1. A new HMO, specifically ValuCare (Central Valley Health Plan), in Fresno and Madera Counties.
2. Health Plan of America - Expand to include Santa Cruz and Sonoma Counties.
3. Health Net - Expand to include Santa Barbara County.
4. Kaiser - Expand to include Fresno, Kings, Madera and Tulare Counties.
5. Lifeguard - Expand to include San Joaquin, San Mateo and Stanislaus Counties.

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 Company.

Yours very truly,

PACIFIC GAS AND ELECTRIC COMPANY

By *M. F. Wright*  
 Manager of Industrial Relations

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

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

*Jan 27*, 1986

By *Jose Mederos*  
 Business Manager