PACIFIC GAS AND ELECTRIC COMPANY

March 1, 1989

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

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

As a result of our meeting of February 28, 1989 concerning the Group Life Insurance carrier as described in Part II, Section 2.03 of the Benefit Agreement, dated January 1, 1988, the Company proposes the following amendment:

2.03 INSURED AND NON-INSURED ASPECTS OF THE PLAN

The Group Life Insurance feature of the Plan is insured under a group life insurance policy issued by an insurance company (Carrier). The present Carrier is the [Equitable Life Assurance Society of the United States] <u>Metropolitan Life Insurance Company</u> and the terms of the policy are hereby incorporated by reference. (<u>Amended 1989</u>)

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 AND ELECTRIC COMPANY

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

Business Manager

March 13 , 1989

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