

AGREEMENT

BETWEEN

**TRANSCANADA USA SERVICES INC.
(GAS TRANSMISSION NORTHWEST)**

AND

LOCAL UNION 1245

OF THE

**INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO**

TERM: APRIL 1, 2012 – MARCH 31, 2016

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All Sections of this Agreement apply to both Physical and Office and Clerical Employees, unless otherwise expressly identified.

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Exhibits:

- A. Wage Rates
- B. Job Definitions
- C. Lines of Progression
- D. Letter Agreement – July 10, 1991: Educational Assistance

Letters of Agreement

Letter of Agreement #1: Work Performed by Outside Contractors – Former Bargaining Unit Employees

AGREEMENT TO AMEND

THIS AGREEMENT made and entered into and effective the first day of April, 2008, by and between TRANSCANADA USA SERVICES INC. hereinafter referred to as the Company, and LOCAL UNION NO. 1245, of INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Affiliated with the American Federation of Labor - Congress of Industrial Organizations), hereinafter referred to as the Union,

WITNESSETH that:

WHEREAS the PG&E Gas Transmission Service Company, LLC and the Union entered into an agreement on the 19th day of November, 1962, hereinafter referred to as the Agreement, covering wages, hours and working conditions of certain therein designated employees of the Company;

AND WHEREAS the Agreement has been amended from time to time thereafter, and the parties now desire to amend it further;

NOW, THEREFORE, the parties hereto agree to amend the Agreement as follows:

TITLE 1 - RECOGNITION

1.1 Recognition

For the purpose of collective bargaining with respect to rates of pay, wages, hours of work and other conditions of employment, the Company recognizes the Union as the exclusive representative of employees for whom the National Labor Relations Board certified the Union as such representative in Case No. 20-RC-4936, Case No. 20-RC-16160, and Case No. 20-RC-18282 with modifications as mutually agreed to from time to time.

Employees working at the North Baja facilities will be voluntarily recognized by the Company and the terms and conditions of this Agreement will apply.

1.2 Applicability

The respective obligations of parties under this Agreement shall be operative only insofar as the Union acts in the capacity of exclusive bargaining representative of said employees.

1.3 Non-Discrimination

It is the policy of the Company and the Union not to discriminate against any employee because of race, creed or religion, physical or mental handicap, sex, color, age, national origin, veteran's status, marital status, ancestry, or sexual orientation as defined under any Act of Congress or Company policy. The Company agrees that it will, to the fullest extent possible, provide a work environment that is free from harassment on the above items.

1.4 Successor Clause

The management of the Company will recognize the terms and conditions of the Agreement in the event of a change or transfer of ownership of Gas Transmission Service Company, LLC. The parties agree that, in the event of a sale, change or transfer of ownership, all obligations of this Agreement for the agreed-to term shall remain in effect. This Agreement shall be binding upon the parties hereto and shall be binding upon any successors.

1.5 Continuous Rendition of Service

The Company is engaged in rendering services upon which depend public utility services to the public, and the Company and the Union recognize that there is an obligation on each party for the continuous rendition and availability of such services. Within the scope of the intent and obligations expressed above, it is understood that employees will not arbitrarily make themselves unavailable and should respond to efforts made by the Company to contact them when they are needed at other than regular hours.

1.6 No Strike or Lockout

The duties performed by the employees of the Company as part of their employment pertain to and are essential to the operations of the Company, and the welfare of the public is dependent thereon. During the term of this Agreement, the Company shall not cause any lockout and the Union shall not call or authorize any work stoppage or other interference with operations, including, but not limited to strike, sympathy strike, work slowdown, picketing, quitting, suspension, retarding, sit in, sick out or stoppage of work by employees individually or collectively. In the event that a strike or other such action occurs, the Union shall immediately take all steps to bring about an end to the activity. The Company shall have the right to discharge any employee who engages in such actions without the Union's authorization.

1.7 Mutual Harmony

Employees shall perform loyal and efficient work and service, and shall use their influence and best efforts to protect the properties of the Company and its services, and shall cooperate in promoting and advancing the welfare of the Company and in preserving the continuity of its services at all times. The Company and the Union shall cooperate in promoting harmony and efficiency among Company employees and the Company shall not discriminate against any employee because of their membership in the Union or their activity on behalf of the Union.

1.8 Management Rights

The management of the Company and its business and the direction of its working forces are vested exclusively in the Company, and this includes, but is not limited to, the following: to direct and supervise the work of its employees; to hire, promote, demote, transfer, suspend and discipline or discharge employees for just cause; to plan, direct, and control operations; to lay off employees because of lack of work or for other legitimate reasons; and to introduce new or improved methods or facilities; provided, however, that all of the foregoing shall be subject to the provisions of this Agreement, arbitration or Review Committee decisions or Letters of Agreement, or memorandums of understanding clarifying or interpreting this Agreement.

1.9 Bulletin Boards

The Company shall erect bulletin boards, 3 feet by 4 feet in size, for exclusive use of the Union and shall designate them by lettering thereon. One such bulletin board shall be placed in each location where employees covered by this Agreement normally report to work.

1.10 Limits on Use of Bulletin Boards

The Union's use of bulletin boards shall be limited to the posting of official notices of meetings and similar matters relating to official Union business and its relationship with the Company. The Union shall not post thereon any matter derogatory to the Company or to its customers.

1.11 Representatives of the Union

At the Union's request, the Company shall authorize any representative of the Union to enter, during regular work hours, any Company properties on which employees represented by the Union are employed, for the purpose of enabling such representative to transact Union business other than the solicitation of employees to join the Union or the collection of dues. Such representative shall first notify the supervisor in charge of their presence, and such transaction of Union business shall not interfere with work in progress.

1.12 Shop Stewards

The Union may designate as many Shop Stewards as it deems necessary for the proper administration of its affairs and for the execution of the provisions of this Agreement. Shop Stewards shall be employees of the Company.

1.13 Agency Shop

- A. Thirty days after being employed, every employee covered by this Agreement shall, as a condition of employment: (1) become a member of the Union; or (2) in the alternative, an employee must tender a registration fee to the Union in such an amount as the Union may prescribe (but in no event to exceed the initiation fee required of Union members), and shall tender, monthly, an agency fee as established by the Union in an amount not to exceed the amount of the monthly dues and per capita fees required of BA members in their base wage rate; except that
- B. Any employee of the Company in a classification represented by the Union and who, on July 1, 1972 (Physical Employees), or December 8, 1988 (Office and Clerical Employees), was an employee and was not a member of the Union, and who remains an employee continuously thereafter, is exempt from provisions of Section 1.13(A), unless the employee becomes a member of the Union.
- C. Any non-bargaining unit employee who is placed in a classification represented by the Union shall, as a condition of employment, within 30 days comply with the provisions of Subsection A above.

1.14 Payment of Union Dues

Any employee who is or who becomes a member of the Union shall, as a condition of employment, tender to the Union periodic dues uniformly required by the Union as a condition of acquiring or retaining membership.

1.15 Check-Off of Dues

For permanent employees regularly scheduled to work more than thirty-two (32) hours per month, the Company shall deduct from their wages and pay over to the proper officers of the Union the membership dues of the members of the Union or agency fees of any other employee as provided for in Section 1.13(A) who individually and voluntarily authorize such deductions in writing. Part-time employees working thirty-two (32) hours of month or less and intermittent employees will pay membership dues based on a percentage of base wage rate. The form of check-off authorization shall be approved by the Company and the Union.

1.16 Termination for Non-Payment of Dues

Upon written request from the Union, the Company shall, within 21 calendar days, terminate the employment of any employee who fails to comply with the requirements of this Title.

1.17 Payroll Deduction of Membership Dues

Deductions will be made from each bi-weekly and dues collected in one month will be transmitted to the Union by the 15th of the following month.

1.18 Payroll Deduction of Membership Dues upon Termination

An employee who has worked at least five days in the current month and whose employment is terminated shall have the current month's dues or agency fees deducted from their final pay.

1.19 Payroll for Participants while on Union Business

Except as provided in Section 2.2(A), employees who are members of Union's General Negotiating Committee, Executive Board, Advisory Council, Safety Committee and employees who are Union Officers, when absent from work at the Union's request and with the Company's permission, to perform duties pertaining to official Union business or the Union's relationship with the Company, and any other employees who participate at the Union's request in other meetings, shall be carried on the Company's payroll and shall be paid by the Company as if they had not been absent from their regularly assigned duties. The Company shall bill the Union for the time such employees are away from their regularly assigned duties, and the Union shall reimburse the Company for such time.

When an employee is being paid by the Company under this Section, the Company shall continue to make previously authorized payroll deductions and shall continue to make its usual contributions to benefit plans for such employee.

Time during which an employee performs Union duties under the provisions of this Section shall not be considered to be within the course and scope of such employee's employment with the Company. Provisions of this Section shall not apply to an employee who is granted a leave of absence under the provisions of Section 7.6.

1.20 Section Titles

Section titles in this Agreement are for identification purposes only and are not to be used for the purpose of interpreting either the intent or the meaning of the language of any section.

TITLE 2 - LABOR-MANAGEMENT COOPERATION AND DISPUTE RESOLUTION

2.1 Intent

This title is intended to provide (1) a method for the Company and the Union to address issues of concern to either party; (2) improve communications and promote cooperation between the parties; and (3) establish a procedure to resolve disputes that may arise by virtue of the interpretation or application of this Agreement.

2.2 Labor-Management Committee

- A. A Labor-Management Committee shall be established which shall consist of four members appointed by the Company and four members appointed by the Union. Each party shall appoint a Co-Chairperson. Union appointees shall be employees of the Company and shall be allowed

reasonable time off with pay for travel and attendance during work hours which is necessary for attendance at the Committee's meetings.

- B. The Company and the Union shall establish a schedule for the committee to meet on a monthly basis. By joint agreement any scheduled meeting may be canceled or rescheduled.
- C. The Company shall appoint a secretary for the Committee. The secretary shall be responsible to maintain files for the Committee, to develop accurate minutes of the meetings, and to distribute the minutes subsequent to the approval of the minutes by the co-chairpersons. A copy of the minutes will be distributed to all recognized shop stewards of the Union and to the Union's business representative.

2.3 Dispute Resolution

- A. This procedure is established to provide a mutual resolution of disputes that occur as a result of:
 - 1. The interpretation or application of any of the terms of this Agreement including letters of agreement, formal interpretations and clarifications executed by the Company and the Union.
 - 2. The discharge, demotion, suspension or discipline of an employee.
 - 3. Questions as to whether a matter is proper subject for this procedure.
- B. It is the desire of the Company and the Union that grievances be settled promptly. To facilitate their settlement, grievances shall be filed in the form adopted for such purpose and received by the Company or, if mailed, postmarked within the time limits described by the dispute resolution process in Section 2.3(E).
- C. If an employee has been demoted, suspended, disciplined or dismissed and it is determined that such discipline was without just cause, the employee may be reinstated with full back pay and benefits.
- D. Notwithstanding anything else contained in this Agreement, any individual employee shall have the right at any time to present grievances to the Company and to have such grievances adjusted without the intervention of the Union, provided that the adjustment shall not be inconsistent with the terms of the Agreement, and provided further, that the Union shall be given an opportunity to be present at such adjustment.
- E. The dispute resolution procedure shall be:

Step One: The initial step of the dispute resolution procedure shall be an informal discussion between the Union's Shop Steward and local management or the Union's Business Representative and the Company's designated Human Resources representative. The purpose of such discussions shall be to reach a satisfactory resolution of the issue. Settlements at this step shall not have system-wide impact.

Step Two: If the dispute is not resolved at Step One, the issue may be submitted in writing by the Union to local management and the Company's designated Human Resources representative. Grievances must be filed no later than fourteen days after the date of the incident complained of, or the date on which the employee became aware of the incident which is the basis of the grievance. A meeting between the parties shall be held within ten days of the Company's receipt of the grievance. The Company will provide a written response within five days of meeting. The settlement shall be in writing and signed by both parties. Settlements at this level will not have system-wide impact. A copy of all settlements shall be forwarded to the Union's Business Representative and the Company's designated Human Resources representative.

Step Three: If the dispute is not resolved at Step Two, the issue may be submitted to arbitration within thirty (30) days of the response provided in Step Two. An arbitrator shall be appointed on each occasion that a grievance is submitted to arbitration. In the event that the Company and the Union are unable to agree on the selection of an arbitrator, they shall select an arbitrator according to the procedures outlined in the Labor Arbitration Rules of the American Arbitration Association. The decision of the arbitrator shall be final and binding upon all parties, provided that such decision does not in any way add to, disregard or modify any of the provisions of this Agreement. Expenses resulting from arbitration shall be borne equally by the Company and the Union.

TITLE 3 - SAFETY

3.1 Safety

The Company shall continue to make reasonable provisions for the safety of employees in the performance of their work. The Union shall cooperate in promoting the realization of the responsibility of the individual employee with regard to the prevention of accidents.

3.2 Company Rights

The Company reserves the right to draft reasonable safety rules for employees and to insist on the observance of such rules. Company employees represented by this agreement are encouraged and expected to submit suggestions concerning safety and enforcement of safety rules in accordance with the Company's Safety Program. If unable to resolve at this level, the issue may be referred to the Labor Management Committee for review.

3.3 Employee Rights

No employee shall be discharged for refusing to work on a job, a piece of equipment, or under conditions which present a real and apparent hazard to the employee's life or health.

3.4 Safety Committee Program

The Company sponsors and supports an active Safety Committee Program providing for the regular and routine safety inspections of Company property, facilities and activities. It is acknowledged that as Company employees, union members of the Company have the right to participate in this program as defined by the Company.

If the Company discontinues the use of this program and does not replace it with one of similar purpose, the Company and the Union shall develop and implement a Safety Inspection Committee to participate in the prevention of accidents by ascertaining unsafe working conditions and recommending measures to be taken for correction on Company facilities operated and maintained by represented employees.

3.5 Safety Clothing Allowance

Company will provide a Safety Clothing Allowance of \$300 per year to meet the requirements under the Company's Personal Protective Equipment Policy.

TITLE 4 - WAGES, CLASSIFICATIONS AND OVERTIME

4.1 Wage Rates

Attached hereto, made a part hereof, and marked Exhibit A is a schedule of wage rates applicable to bargaining unit employees.

4.2 Applicable Wage Rates

- A. **Classifications** - Employees shall be paid the wage established for their classification.
- B. **Out-of-District Premium** - Exclusive of any other provision contained in this contract, employees assigned to temporary work during an out-of-district assignment which qualifies them for the expense allowance provided for in Section 15.1 will be paid an hourly premium of \$2.00 per hour for all time worked beginning with the second consecutive day worked on an out-of-district assignment. This premium will apply to time spent in traveling from a temporary assignment at its conclusion, but will not apply to the travel time or attendance at schools or seminars.

This premium is subject to adjustment for the next term of the Agreement.

When the premium is applicable to time worked at the overtime rate of pay, the applicable multiplier shall be used in determining the applicable premium.

- C. **Time Accumulation for Wage Purposes** - Other than as provided in any negotiated training programs, employees who have accumulated sufficient time in a classification having a time progression shall be advanced to the next step in such a classification until they receive the maximum rate thereof. For the purpose of wage rate progression in a temporary classification, the time worked by employees in other than their regular classification shall be accrued in such a temporary classification.
- D. **Wage Progression - Leave of Absence** - The wage progression of an employee who is absent on leave of absence without pay for more than 10 consecutive work days will be delayed by a period of time equivalent to such a leave of absence. The wage progression of an employee who is absent for more than 25 consecutive work days because of an industrial injury or for an illness or disability and is receiving sick leave with pay will be delayed by the period in excess of 25 consecutive work days if such employee has been in the wage progression for less than 24 months.

4.3 Temporary Upgrade

Employees may be assigned to work in classifications other than their own for short periods of time.

4.4 Temporary Upgrade - Definitions

- A. **Physical Lines of Progression** (See Exhibit C)

An employee temporarily assigned to work in a classification higher than their regular classification shall be paid for all time worked in the higher classification, at the appropriate step in the higher classification, provided that such time is not less than two hours during the day. Such time worked may be accumulated over a regular workday by intervals of not less than one-half hour.

B. Administrative Lines of Progression (See Exhibit C)

A temporary upgrade is defined as an employee temporarily assigned to perform the duties of a classification with a wage rate higher than their regular classification, provided that such time is not less than four consecutive work hours during the day.

4.5 Temporary Upgrade - Wage Rate - Assigned Lower Classification

An employee temporarily assigned for the Company's convenience to work in a classification lower than their own shall receive pay for their regular classification for all such time worked.

4.6 Temporary Upgrade - Wage Rate - Days Not Worked

An employee on an upgrade basis who is not required to work on a workday by reason of holidays, vacation, sick leave or any other contractually permitted reason shall have their rate of pay for such days determined in accordance with the following:

- A. The pay of an employee who is working in a classification other than their own on a time card or timekeeper reconciliation report basis shall be based on the straight rate of pay applicable to their regular classification.
- B. The pay of an employee who is working in a classification other than their own on a personnel authorization form basis shall be based on the rate of pay of the job to which the employee is temporarily upgraded.

4.7 Regular or Temporary Upgrade - Wage Rate - Upgrades to a Classification having a Higher Maximum Wage Rate

An employee who is regularly or temporarily assigned to a classification having a higher maximum wage rate shall be paid for all time worked in the temporary upgrade at the highest wage rate of the following:

- A. The wage step of the higher classification which is next higher than their present wage rate, or
- B. The wage step in the higher classification determined by the time previously accumulated in such higher classification, as provided for in Section 4.2, or
- C. The top rate of pay of such higher classification if the employee has previously been demoted from a classification having a higher wage rate than the classification to which the employee is assigned.

4.8 Regular or Temporary Upgrade - Wage Rate - Upgrades to a Classification Having an Equal or Lower Wage Rate; Change in Line of Progression

- A. An employee who is receiving in their present classification a rate of pay the same or higher than the maximum rate of pay established for the classification to which the employee is being appointed shall receive the top rate of pay established for the classification to which the employee is being appointed. For all purposes other than rate of pay, such employees shall be considered to be in the step of the new classification which is commensurate with the actual time the employee has worked in such new classification.
- B. When the Company appoints an employee from one Line of Progression to the starting point of a different Line of Progression, and such employee is receiving in their former classification a rate of pay less than the maximum rate of pay provided for in the classification to which the employee is appointed, they shall retain the rate of pay of their present wage progression step until they have worked in their new classification long enough to have earned the next higher wage step of

the new classification. From then on, they shall progress through the remaining wage steps in the usual manner.

4.9 Job Definitions and Lines of Progression

Attached hereto, made part hereof, and marked Exhibit B are the Job Definitions and Lines of Progression for physical and administrative classifications.

4.10 Changes to Classifications, Wages or Lines of Progression

During the term of this Agreement,

- A. The Company and the Union may, by agreement:
 - 1. Establish additional regular classifications, wages, therefore and normal lines of progression.
 - 2. Adjust the wages and duties of any classification.
- B. The Company may, pending agreement as mentioned in Subsection A above, establish temporary classifications and wages therefore.

4.11 Shift Assignments – Definitions

A. Eight Hour Shifts

All eight-hour work periods regularly scheduled to begin at 4 a.m. or thereafter but before 12 o'clock noon shall be designated as first shifts. All eight-hour work periods regularly scheduled to begin at 12 o'clock noon or thereafter but before 8 p.m. shall be designated as second shifts. All eight-hour work periods regularly scheduled to begin at 8 p.m. or thereafter but before 4 a.m. shall be designated as third shifts.

B. Shifts Greater Than Eight Hours

All work periods regularly scheduled to begin at 4:00 a.m. or thereafter, but before 4:00 p.m. shall be designated as first shift. All work periods regularly scheduled to begin at 4:00 p.m. or thereafter but before 4:00 a.m. shall be designated as second shift.

4.12 Shift Assignments - Calculation of Shift Pay for Straight Time

A. Eight Hour Shifts

No shift premium shall be paid for the first shift. An hourly premium of \$1.15 shall be paid for work performed in the second shift and an hourly premium of \$2.30 per hour shall be paid for work performed in the third shift. The shift premium, if any, which is payable for an employee's regularly scheduled hours of work shall be paid for any time worked by the employee immediately preceding or following their regular hours of work and as an extension thereof. If an employee is scheduled to work during a shift other than such employee's regularly scheduled shift, and such work does not immediately precede or follow such employee's regularly scheduled shift, the employee shall be paid the shift premium, if any, which is applicable to the shift in progress as of the time the employee starts such work.

B. Shifts Greater Than Eight Hours

No shift premium shall be paid for the first shift. An hourly premium of \$2.30 per hour shall be paid for the second shift and any time worked immediately preceding or following the individual's regularly scheduled hours as an extension thereof.

This premium is subject to adjustment for the next term of the Agreement.

4.13 Shift Assignments - Calculation of Shift Pay for Overtime

When a shift premium is applicable to time worked at the overtime rate of pay, the applicable multiplier shall be used in determining the applicable shift premium.

4.14 Shift Assignments - Calculation of Shift Pay for Non-productive Time - i.e., Holidays, Sick Leave and Vacation

Shift premiums shall be payable only for hours actually worked, and shall not be paid for non-work time such as holidays, sick leave and vacation.

4.15 Shift Assignments - Limitations with regards to the Provisions of the Collective Agreement

Nothing contained in Sections 4.11 to 4.14, inclusive, hereof shall be construed to modify or supersede any other provisions of this Agreement with respect to hours of work, rates of pay, or working conditions.

4.16 Overtime - Definitions

Overtime is defined as:

- A. Time worked in excess of 40 hours in a workweek;
- B. Time worked in excess of regular scheduled hours or eight hours, whichever is greater, on a workday;
- C. Time worked on a non-workday;
- D. Time worked on a holiday as provided for in Title 9;
- E. Time worked outside of regular work hours on a workday.

The Company shall not be required to pay overtime compensation more than once for any single period of time worked. Overtime shall be cumulated each day and shall be compensated to the nearest one-quarter hour.

4.17 Overtime - Rate and Double Time Conditions

In general, overtime compensation at the rate of one and one-half times the straight rate of pay shall be paid to employees for overtime as defined in items A, B, C, D and E of Section 4.16; except that:

- A. The time worked in excess of 12 consecutive hours and continuing until the employee is dismissed from such work shall be paid at the rate of two times the employee's straight rate of pay, or
- B. If, following an employee's dismissal from work or on an employee's non-workday or holiday which the employee is scheduled to have off, the employee is called out for work, the employee shall be paid at two times the employee's straight rate of pay for all work performed outside the employee's regular work hours or on a non-workday or holiday which the employee is scheduled to have off.
- C. The time worked in excess of eight hours on the employee's second of two scheduled days off, counting from the first day of the basic workweek, shall be paid at the rate of two times the employee's straight rate of pay, provided such employee has performed work on the first scheduled day off. Employees scheduled to have four consecutive days off shall be entitled, in addition to the above, to pay at the rate of two times the employee's straight rate of pay for the time worked in excess of eight hours on the fourth scheduled day off, provided that such employee has also performed work on the third scheduled day off.

- D. Bargaining unit employees are entitled to receive the same overtime rates as management and non-bargaining unit employees, when working under the same circumstances.
- E. For purposes of this Section, an employee's "regular hours of work" shall be the same on a non-workday as those regularly scheduled for such employee on a workday.

This provision shall not be applied to deprive the employee of any protection accorded under state wage and hour laws.

4.18 Overtime - Employee Rights

The Company shall not require employees to take equivalent time off during a workday in lieu of overtime compensation.

4.19 Overtime - Non-Workday, Holidays, Outside Regular Work Hours

Employees who are called from their homes for emergency work on their non-workdays, or on holidays which they are entitled to have off, or outside of their regular work hours on workdays shall be paid overtime compensation for the actual work time and travel time in connection therewith.

4.20 Overtime - Emergency Work - Workday

If an employee, who is called out for emergency work outside of their regular work hours on a workday, continues to work into or beyond their regular work hours they shall be paid overtime compensation for actual travel time only from their home.

4.21 Overtime - Minimum Time for Which Overtime Compensation Shall Be Paid Under the Provisions of Section 4.19

The minimum time for which overtime compensation shall be paid under the provisions of Section 4.19 shall be two hours, except that if an employee who is called out for emergency work outside of their regular work hours on workdays continues to work into or beyond regular work hours, they shall be paid overtime compensation only for travel time as provided in Section 4.20 and for actual work time up to regular work hours unless the provisions of Section 4.22 are applicable. When an employee is called out for emergency work during their lunch period the minimum time provision hereof shall not be applicable, but such employee shall be paid at the overtime rate of pay for the actual time worked during the lunch period.

4.22 Overtime - Granting of a Rest Period

The following specific provisions of Section 4.22 notwithstanding, the granting of a rest period shall not be precluded when good judgment indicates that the health, welfare and safety of employees could be adversely affected by assignment of work during normal work hours. It is the intent of the parties in negotiating rest periods that any time allowed for a rest period which overlaps normal work hours shall not result in a loss of normal pay; that rest periods should be provided when work has reached sixteen hours, and where a period or periods of overtime affect the employee's ability to obtain adequate rest during the normal hours of sleep.

If an employee has worked for eight hours or more at the overtime rate during the sixteen-hour period immediately preceding the beginning of their regular work hours on a workday, they shall be entitled to a rest period of eight consecutive hours on the completion of such overtime work.

- A. There shall be included as part of the eight hours worked at the overtime rate in such sixteen-hour period any travel time and mealtime to which the employee is entitled when emergency or prearranged work is performed.

- B. Hours worked prior to any eight-hour rest period in which the employee does not work, shall not be included in computing another period of overtime work.
- C. If the eight-hour rest period in whole or in part overlaps the employee's regular work hours they shall receive pay at the straight rate for the extent of the overlap, except that the time taken during such overlap for any meal to which the employee is entitled on dismissal shall be paid for at the overtime rate.
- D. If the employee is called back to work during their eight-hour rest period a new rest period shall commence at the conclusion of such work.
- E. Rest Period Applications
 1. If the rest period overlaps their regular work hours but does not extend into the second half of their workday, the employee may be excused from reporting for work until the beginning of the second half of their workday, and in such event the employee shall be paid for the time between the expiration of the rest period and the end of the first half of their workday.
 2. If the rest period extends into the second half of their workday, the employee may be excused from reporting for work until the following workday, and in such event the employee shall be paid for the time between the expiration of the rest period and their regular quitting time on such day.
 3. In the application of the foregoing, an employee, unless otherwise instructed, shall be deemed to be excused from reporting to work for the period between the end of their rest period and the reporting time as designated by the applicable subdivision.
- F. An employee entitled to a rest period hereunder may nevertheless be required to work during regular work hours on a workday without having had a rest period of eight consecutive hours, in which event the employee shall be paid at the overtime rate of pay for all work performed until the employee has been relieved from duty for at least eight consecutive hours.

4.23 Overtime - Prearranged

When, at the request of the supervisor in charge, employees report for prearranged work:

- A. On workdays outside of their regular work hours, they shall be paid overtime compensation for actual work time and travel time in connection therewith, provided, however, that if any such employees continue to work into or beyond regular work hours they shall be paid overtime compensation only for travel time from their homes and for actual work time up to regular work hours, unless the provisions of Section 4.22 are applicable.
- B. On non-work days or on holidays, they shall be paid overtime compensation for actual work time and for travel time in connection therewith.

For the purposes of this Agreement, prearranged work is deemed to be work for which advance notice has been given at least 24 hours prior to the end of the preceding work period on a workday, except for unforeseen circumstances in which case advance notice must be given by the end of the preceding work period on a workday.

4.24 Overtime - Minimum Time For Which Overtime Compensation Shall Be Paid Under the Provisions of Section 4.23

The minimum time for which overtime compensation shall be paid under the provisions of Section 4.23 shall be two hours, except that if an employee, who has been called for prearranged work outside of their regular work hours on workdays, continues to work into or beyond regular work hours, they shall be paid

overtime compensation only for actual work time up to regular work hours, and for travel time as provided in Section 4.23.

4.25 Overtime - Cancellation of Prearranged Overtime

If an employee is instructed by their supervisor to report for prearranged work on a non-workday, or on a holiday which the employee is entitled to take off with pay, and such work is cancelled, the employee shall be paid overtime compensation for a minimum of two hours, inclusive of any travel time as provided for in Section 4.23, if the employee is not given notice of cancellation of such work at least 16 hours before the time the employee is instructed to report.

4.26 Standby Time - Definition

Standby time will be used to assure a qualified Multi-Skilled Technician or Utility Worker is available if a callout situation occurs. The individual who volunteers for standby status will be required to stay in the district, and be unimpaired, consistent with Department of Transportation (DOT) regulations.

Standby time will apply to Multi-Skilled Technicians and Utility Workers in seven district locations (Sandpoint, Wallula, Rosalia, Redmond, Klamath Falls, Tuscaraora and N. Baja) and the Spokane office.

4.27 Standby Time - Procedures

Employees on standby will be provided with a company vehicle, pager and/or cellular telephone. When necessary, they will respond directly to the work site, in a timely manner. Upon completion of work, the employee will continue to be on standby for the remainder of the standby period.

Employees on standby status may participate in pre-arranged overtime work, provided that such work is not affected or delayed if standby employee is required to respond to an emergency callout, or if there are insufficient employees available at the work location to fill out a crew for pre-arranged work.

One Multi-Skilled Technician or Utility Worker in each district, and one Multi-Skilled Technician, Controls Stream in Spokane, may volunteer to be on standby for the entire duration of the period beginning the end of the shift on Thursday, and ending the beginning of the shift the following Thursday. The beginning and end of the standby period may be modified by mutual agreement between the Union and the Company. If there are no volunteers in a district, the Company may require an employee to be on standby. If no employee is on standby, the Company will be under no obligation to pay standby pay to any employee, and the existing callout procedures will be utilized. Standby time will be awarded to the volunteer in a location with the least standby hours logged in the calendar year.

4.28 Standby Time - Compensation

Standby time will be paid at an amount equal to one hour of pay at time and one-half for each night following a full workday, one hour at time and one-half for each full 24-hours on a non-workday, and two hours at time and one-half on a holiday for all IBEW 1245 represented employees.

Employees required to be on standby less than 14 days from their last standby period will be paid, for the standby period occurring less than 14 days from their last standby period, at an amount equal to one hour of pay at double time for each night following a full workday, one hour at double time for each full 24-hours on a non-workday, and two hours at double time on a holiday.

Standby time will be paid in addition to any actual time worked. Actual overtime worked by the employee on standby during the standby period will be paid at the appropriate overtime rate, in accordance with Section 4.17.

4.29 Standby Time – Equitable Distribution

For the purpose of recording hours on the district overtime lists, standby hours shall consist of the hours specified in Section 4.28 (standby hours) and all hours actually worked while on standby.

These hours shall be recorded separately from the equitable distribution of overtime list as defined in Section 13.3, in a “standby hours” column on the accumulated overtime list. The hours shall be adjusted at the end of the year as specified in Section 13.4. The intent is to separate the overtime worked in a voluntary situation with Standby Time and other overtime in a pre-arranged or emergency call out situation.

This language shall not preclude maintaining local agreements to the contrary.

4.30 Pay Day

Employees shall be paid biweekly on Friday. Wages earned during the two-week period which ends at midnight on a Sunday shall be paid on the next succeeding Friday. If the day designated as payday is a holiday, payment will, if possible, be made on the next preceding workday which is not a holiday.

TITLE 5 - STATUS

5.1 Regular Status

Employees shall be designated as probationary or regular, depending on the length of their Service.

5.2 Probationary Employee Rights

New employees shall be hired as probationary employees at a rate of pay not less than the minimum wage established for the classification of work to be performed. As long as a probationary employee retains such status, they shall not acquire rights with respect to leave of absence, job bidding and promotion, demotion and layoff, vacation, or similar rights or privileges. The Company reserves the right to discipline or discharge probationary employees at its discretion.

5.3 Regular Status - Attainment Thereof

On the completion of their first six months of Service which, notwithstanding the provisions of Section 6.3, is uninterrupted by absence for more than a cumulative total of twenty-two work days due to (1) layoff, (2) sickness or disability, or (3) any other reason, excluding days not worked by reason of holidays or inclement weather, a probationary employee shall be given the status of regular employee. The transfer of a probationary employee from one job to another without interruption of work time shall not interrupt the probationary period. The Company may, at its discretion, extend the probationary period of an employee by the number of days the employee has been absent in excess of twenty-two days, as given in this Section.

5.4 Layoff Due to Lack of Work

A regular employee who is laid off because of reduction in force shall resume the status of a regular employee if such employee returns to employment within one year. A regular employee who is absent on leave of absence without pay shall resume regular status if such employee returns to employment in accordance with the terms of an authorized leave.

5.5 Part-Time Employees

A part-time employee is any employee whose regularly scheduled work week is less than 40 hours.

5.6 Intermittent Employees

An intermittent employee is one who does not work any set schedule of hours per day or days per week, but who is on call to fill in on any schedule on an as-needed basis.

5.7 Benefits for Intermittent or Part-Time Employees

An intermittent or part-time employee who attains regular status, or a regular employee who accepts intermittent or part-time status, shall be eligible to receive the following benefits:

- A. Group Life Insurance coverage as provided in the Benefit Agreement.
- B. Long-Term Disability coverage as provided in the Benefit Agreement.
- C. Retirement Plan as described in the Benefit Agreement.
- D. Savings Fund Plan, when qualified, based on a percentage contribution of employee's actual straight-time wage in conformance with the rules of the Savings Fund Plan.
- E. Dental Insurance and Vision Care.
- F. Group Medical Insurance. If an employee does not work in a given month, double deductions for premiums will be made in succeeding months.
- G. Vacation allowance prorated based on the ratio of total straight-time hours worked in a year to 2,080 hours.
- H. Sick Leave prorated based on the ratio of total straight-time hours in a month to 173 hours. Sick leave may only be taken on those days and for those hours that an employee is asked or scheduled to work and is unable to work due to illness or non-industrial injury. (Eligible upon date of hire)
- I. Paid Holidays when scheduled to work on a regular schedule known in advance. Such holiday payment shall be in proportion to the amount of time which such employee would have worked on such day if it were not a holiday. (Eligible upon date of hire)

TITLE 6 - SERVICE

6.1 Employment Date

As used in this Agreement, "Employment Date" means the latest date on which an employee began a period of Service with the Company, as defined in Section 6.3.

6.2 Company

As used in this Title, the term "the Company" shall include any subsidiary or affiliate company which, at the time of the employee's Employment Date, was owned, in whole or in part, by Gas Transmission Northwest Corporation.

6.3 Service

Service is defined as the length of an employee's continuous employment since their Employment Date with the Company, and as further provided in Section 6.5. The continuity of an employee's Service shall be deemed to be broken by termination of employment for any reason or layoff for lack of work which extends for one continuous year or more. The following periods of absence shall count as Service for purposes of this Agreement and shall not constitute a break in Service.

- A. Absences of less than one continuous year caused by layoff for lack of work.
- B. Absence on a leave of absence authorized by the Company pursuant to the provisions of Title 7, provided the employee returns to active work with the Company immediately following their leave of absence.
- C. Absence because of illness or injury as long as the employee is entitled to receive sick leave pay or is entitled to receive benefits under the provisions of a state disability plan, the Long-Term Disability Plan, a Workers' Compensation Law, Weekly Indemnity or Supplemental Indemnity Insurance, provided that the employee returns to active work with the Company immediately following their recovery from the illness or injury.
- D. Absence for military service or service in the Merchant Marine, so long as the employee returns to active work with the Company within the period during which their re-employment rights are protected by law.
- E. Absence for Union business pursuant to the provisions of Section 7.6. If an employee fails to return to active work within the above time limits for any reason except death or disability, their Service shall be deemed terminated as of the expiration of the time limit. An employee who is rehired after a break in Service shall be treated as a new employee for all purposes, and their Service and compensation before the break in Service shall not be recognized for any purpose under any provision of this Agreement.

6.4 Service for Bidding and Promotions

Service for bidding and promotion purposes shall be defined as the length of an employee's continuous employment since their Employment Date with PG&E Gas Transmission, Northwest Corporation which has been recognized by Gas Transmission Northwest Corporation. For these purposes, employment with any other subsidiaries or affiliate companies of Pacific Gas & Electric Company or PG&E Corporation shall not be included. For employees hired after November 1, 2004, service shall be defined as the length of the employee's continuous employment since their Employment Date with the Company. For these purposes, employment with any other subsidiaries or affiliate companies of Gas Transmission Northwest Corporation, per Section 6.2 shall not be included.

6.5 Acquisitions

In the acquisition of another company, or in the transfer of an employee from any company included in Section 6.2, the Service of the employee involved in the acquisition or transfer may be established by written agreement between the Company and the Union.

6.6 Employee Information

As changes occur, but not more than quarterly, the Company will furnish the Union with the following information concerning employees represented by this contract: name, Company employee number, employment date, classification, level, and reporting location.

TITLE 7 - LEAVES OF ABSENCE

7.1 Eligibility

Subject to the conditions set forth in this Title, "leave of absence" without pay shall be granted to regular employees for personal reasons that are, in management's judgment, urgent or substantial, provided that adequate arrangements can be made to take care of the employee's duties without undue interference with the normal routine of work. A "leave" will not be granted if the purpose for which it is requested may lead to the employee's resignation. For the purpose of this Agreement, the terms "leave of absence" and "leave" signify absence without pay for periods in excess of ten consecutive workdays. In the computation of the length of a "leave of absence", there shall not be included any time the employee is absent with pay. Absences without pay for ten consecutive workdays or less shall also be authorized under these provisions.

7.2 Periods of Leave

The Company may grant a "leave of absence" without pay to a regular employee for a period not in excess of six consecutive months. It may grant an additional "leave of absence" without pay to such employee if their personal circumstances and their Service to the Company warrant the granting thereof. Except as provided in Sections 7.6 and 7.7, a "leave of absence" will not be granted which, together with the last "leave" or "leaves" granted, will exceed twelve consecutive months.

7.3 Commence and End

A leave shall commence on and include the first workday on which the employee is absent without pay, and terminate with and include the workday preceding the day the employee returns to work. The conditions under which an employee shall be restored to employment on the termination of their leave of absence shall be clearly stated on the form on which application for the leave is made.

7.4 Status

An employee's status as a regular employee shall not be impaired by a leave of absence.

7.5 Termination of Service

If an employee fails to return immediately on the expiration of their leave of absence, or if they accept other employment while on leave, except as provided in Section 7.6, or if they make application for unemployment insurance benefits under any applicable act or law while on leave, they shall thereby forfeit the leave of absence, terminate their Service with the Company and terminate their participation in the Company's Retirement Plan.

7.6 Union Business

Subject to the provisions of Section 7.1, the Company shall, at request of the Union, grant a leave of absence without pay to any employee for the purpose of engaging in Union business. Such leave shall be for a period or periods not to exceed a total of thirty-six consecutive months. Leaves of absence for Union business shall only be granted to one employee at a time. An employee who has returned to work for the Company following an absence on leave for Union business in excess of six months shall not be granted another such leave until they have worked for a period equivalent to the time they were last continuously absent on leave for Union business.

7.7 Union Business - Completion of Six Months on Leave

Unless an employee who is on leave of absence for Union business notifies the Company that they will return to work at the end of the first six months of such absence, their job shall be considered as vacant, and the Company may fill it as provided in Title 18. When such employee returns to employment after an absence in excess of six months they shall be employed in their former classification subject to the following:

- A. They may elect to displace another employee, or if the Company offers them an assignment to an existing job vacancy on a "Subject to Bid" basis, they may elect to accept it.
- B. If they accept such assignment, the location of such job shall thereupon become their regular headquarters, and their bid on such job shall be considered under Section 18.8. If their bid is not successful, their placement in the Company shall be governed by Title 19.
- C. If they elect to displace another employee, they shall displace the employee in their former classification who entered such classification during the period of the leave of absence and who has the least Service. If such displacement cannot be effected, they shall displace that employee in such classification who has the least Service, except that they may not displace an employee whose Service is equal to or greater than their own. If the last-mentioned displacement cannot be effected, their placement in the Company shall be governed by Title 19, and their job headquarters shall be the same as it was when their leave of absence was granted.

7.8 Military Leave of Absence

An employee who leaves their employment with the Company to enter the military, or other service where their re-employment rights are protected by law will be granted a leave of absence under the provisions of Section 7.1 to 7.4, inclusive. Upon qualifying for re-employment under any such law, and being re-employed, the employee will be granted a further retroactive leave of absence to cover the balance of their absence.

7.9 Funeral Leave

- A. If at all possible, a regular employee will be granted the actual time off with pay necessary to attend the funeral of a member of the immediate family, including the time the body may lie in state and the day of the funeral, and the time necessary to travel to and from the location of the funeral, but not to exceed three workdays. The immediate family shall be limited to: an employee's spouse, parent, grandparent, grandparent-in-law, parent-in-law, child, grandchild, son-in-law, daughter-in-law, stepchild, brother, sister, half-brother and half-sister, foster parent, or individual who was a member of the employee's immediate household at the time of death.
- B. Consistent with the Company's operational needs, a regular employee may be granted the time off with pay necessary to attend the funerals of other persons the employee may be reasonably deemed to owe respect, but not to exceed one day.
- C. Employees who have not attained regular status will be allowed time off without pay as provided for in Subsections A and B above.

7.10 Jury Duty

Employees who are summoned to serve on a grand jury, trial jury, or a jury of inquest will be granted the necessary time off for this purpose under the following conditions:

- A. Regular employees will be allowed the necessary time off with pay for jury duty which occurs within their scheduled working hours during the basic workweek. Such employees assigned to a third shift shall be rescheduled to a first shift during such a period of time at the straight rate of

pay, and such employees assigned to a second shift who are actually empanelled on a jury or who are required to report to the jury commissioner on a second consecutive workday or more shall be rescheduled to a first shift during such a period of time at the straight rate of pay. Such employees will be paid their basic rate of pay. In the application of other provisions of this Agreement, such time off with pay for jury duty will be considered as time worked and, if dismissed by the court on any workday before the end of the employee's regular work hours, such employee shall return to work provided such dismissal occurs at least two hours before the conclusion of such hours of work.

- B. Employees who have not attained regular status will be allowed time off without pay subject to the other provisions of Subsection A above.
- C. Employees shall advise their supervisor on the workday following receipt of notice that they are required to report for jury service.

7.11 Witnesses

Regular employees will be given the necessary time off to appear as a witness in administrative, civil or criminal cases under the following conditions:

- A. Employees who are required to appear as witnesses on behalf of the Company will be treated with respect to the provisions of this Agreement as though they were employed in their customary work.
- B. Employees who are subpoenaed to appear in litigation in which the Company has no interest and is not a party, but nonetheless involves an employee's presence as to matters arising out of and in the course of their employment with the Company will be paid at their straight-time rate of pay in accordance with Sections 4.2 and 4.6 for the time required to appear or testify (but not more than the employee's regular scheduled work hours in any one normal workday).
- C. If the employee-witness is dismissed by the court or administrative agency on any workday, the employee shall telephone their supervisor and upon request return to work.
- D. In all other instances, an employee who has been subpoenaed as a witness in any matter not provided for above will be excused from work, without pay, for the time necessary for such administrative or court appearance.

7.12 Child Care Leave

A regular employee who has become a parent by the birth of a child or has adopted a child, shall be entitled to an unpaid "leave of absence" for a period not to exceed six consecutive months, beginning from the date of birth or adoption, to care for such newborn or adopted child. When an employee who was granted a leave for child care applies for reinstatement, the employee will be returned to the employee's former classification and headquarters which the employee vacated.

An employee may be granted an additional "leave of absence" for a period not in excess of six consecutive months for child care with the understanding that the employee may return to work provided a vacancy exists in a classification with a rate of pay equal to or less than the classification which the employee vacated.

If a vacancy of this kind does not exist after the second six consecutive months' leave of absence, the employee's service shall be terminated.

7.13 Adoption

Regular employees will be allowed time off with pay up to one workday necessary for court appearances in connection with child adoption procedures.

TITLE 8 - SICK LEAVE

8.1 Sick Leave - Definition

Sick leave is defined as absence by reason of any illness or disability which does not come within the application of a governing Workers' Compensation Act or Law. Such time off as that allowed for an employee's personal medical, visual and dental appointments shall be charged as sick leave.

8.2 Sick Leave - Credit for Service

An employee of any of the companies defined in Section 6.2 who is transferred to the Company will be credited, on the date of their commencement with the Company, with all sick leave credits, accrued, current and bonus, to which they would have been entitled on that date had they remained an employee of said company. They will thenceforth be allowed sick leave in accordance with the provisions of this Agreement.

8.3 Sick Leave - Qualification

At the time of hire and for each month of service thereafter for the first year of employment, an employee shall be allowed 8 hours of sick leave up to a total of 80 hours. In January following the first year of employment and for each year thereafter, a regular employee shall be allowed sick leave with pay for a total of eighty (80) hours per calendar year; provided that they must first perform services in a calendar year before such sick leave will be allowed.

8.4 Sick Leave – Short Term Disability Benefit

The Company shall provide employees a Company-paid Short Term Disability (STD) benefit as follows:

- A. STD benefit begins following either a one week waiting period or immediately upon hospitalization, as defined by the STD benefit carrier.
- B. Employees on STD will receive a benefit maximum of 67% of their base salary.
- C. During disability leave, sick leave hours and disability bank hours, as defined in Section 8.5, will be applied to supplement the STD benefit paid to employees.

8.5 Sick Leave - Accumulation

Any unused annual sick leave for the eight successive calendar years immediately preceding the current year will be accumulated to an employee's credit, in a disability bank, for a maximum of three hundred and seventy (370) hours. Disability bank hours shall be available for use when an employee is disabled (as defined and determined by the STD benefit carrier).

8.6 Sick Leave - Termination Due to Physical Disability

If a regular employee is required permanently to leave the service of the Company because of physical disability, they shall, on severance of employment, be entitled to an allowance which shall be the equivalent of the sick leave to which they would be entitled under the provisions of Sections 8.3 and 8.6.

8.7 Sick Leave - Entitlement Increments

Sick leave shall be charged by the hour with no charge made for increments of less than one hour.

8.8 Sick Leave - Holidays

If a holiday occurs on a workday during the time an employee is absent on sick leave with pay, they shall receive pay for the holiday as such, and it shall not be charged as sick leave.

8.9 Sick Leave - Proof of Illness

The Company may require satisfactory evidence of an employee's illness or disability before sick leave will be granted. Abuse of the sick leave provisions of this Agreement by misrepresentation or falsification shall be just cause for termination of employment.

8.10 Sick Leave - Placement of Partially Disabled Employees

Except as provided in Section 17.2, if an employee's health or physical ability becomes impaired to such an extent that they cannot perform the work of their classification the Company shall, if practical to do so, give such employee light work within their ability to perform for which they shall be compensated at the rate of pay established for such work.

8.11 Sick Leave - Return from Long Term Disability

In the event an employee is disabled due to injury or illness and is returned to active payroll in a physical or clerical classification or is assigned to a classification designed for the employee with the prior written agreement of the Union, the employee shall be paid in accordance with the following formula:

- A. If the employee is returned to the classification held before the disability occurred, the rate of pay for such classification, or
- B. If the employee has less than 10 years of Service at the time of the employee's disability, the rate of pay of the classification to which assigned, or
- C. If the employee has 10 or more years of Service at the time of the employee's disability, the rate of pay of the classification to which assigned plus 4 percent per year of Service (but not over 100 percent) times the difference between such rate of pay and the rate of pay of the employee's regular classification immediately prior to the injury or illness which caused the employee's disability.

An employee who returns to the active payroll at a rate of pay calculated as in C above shall be limited to 50 percent of any general wage increase until such time as the partially disabled employee is receiving a rate of pay equal to the rate of the classification to which such employee is assigned. In no case will a partially disabled employee who is placed on the active payroll be paid less than 110 percent of such employee's current LTD rate of pay.

- D. An employee who is disabled due to injury or illness who is able to return to active payroll and the classification held prior to such disability but is assigned to a classification with a lower rate of pay shall be entitled to the provisions as described above until such time as the employee is returned to their former status on an accelerated basis as provided in Section 19.4.

8.12 Sick Leave - Calculation of Pay

Sick leave pay shall be at the straight-time rate computed on the basis of an employee's regular classification except as provided in Sections 4.6.

8.13 Sick Leave - Return from Long Term Disability

By written agreement between the Company and the Union and on an individual basis, an employee who qualified for and received benefits under provisions of the Long Term Disability Plan may be returned to regular employee status.

TITLE 9 - HOLIDAYS

9.1 Holidays - Entitlement

- A. Employees, except as provided in Section 9.4 shall be entitled to have the following holidays off with pay when such holidays fall on a workday in their basic workweek:

New Year's Day (January 1)
Washington's Birthday (third Monday in February)
Memorial Day (last Monday in May)
Independence Day (July 4)
Labor Day (first Monday in September)
Veterans' Day (November 11)
Thanksgiving Day (fourth Thursday in November)
The Friday following Thanksgiving Day
Christmas Day (December 25)
Floating Holidays (3)

When any one of these holidays falls on either a Saturday or a Sunday, the Company shall elect to schedule the holiday for either the Friday before the holiday or the Monday following the holiday.

- B. An employee may select any workday within a calendar year as a floating holiday. A supervisor may, however, limit the number of employees in a classification at a headquarters who may be off on a floating holiday on any given day. If more employees elect a specific day as a floating holiday than can be permitted to be off on that day, preference will be given to employees with the greater Service provided a written request was submitted to the Company at least seven (7) calendar days in advance of the specific day.
- C. Probationary employees shall be entitled to one (1) floating holiday during the probationary period. Upon attainment of Regular status, the employee shall be allotted full compliment of annual floating holiday hours pro-rated by the number of full calendar months remaining in the calendar year. On January 1 following the year Regular status was attained, the employee shall be entitled to the full compliment of floating holidays.

9.2 Holidays - Leave of Absence

- A. If a holiday occurs during the time an employee is on a leave of absence, they shall not be entitled to receive pay for the holiday.
- B. Absences without pay for ten consecutive workdays or less, authorized under the provisions of Section 7.1, for reason of illness or disability, except a leave of absence, shall not affect an employee's entitlement to holiday pay.
- C. If an employee is off on a holiday which falls on a workday and is absent without permission on a workday adjoining the holiday, they shall not be entitled to receive pay for the holiday.

9.3 Holidays - Non-Workday

If a holiday falls on an employee's non-workday, the employee shall be entitled to have one additional workday off with pay. Such day shall be scheduled in conjunction with the employee's next scheduled vacation under the provisions of Title 10, except that such day may be taken prior to their next scheduled vacation with the approval of the supervisor in charge. In no event shall the additional day be taken prior to the date of the holiday. By agreement between the employee and the Company, the employee may elect to take one day's pay at the straight rate for each holiday that falls on their non-workday. Such election shall be exercised within ten workdays after the holiday falls on an employee's non-workday. The provisions of this Section shall not apply to part-time employees.

9.4 Holidays - Workday

- A. Employees may be regularly scheduled to work on holidays which fall on their workdays and shall be compensated therefore as provided in Section 4.23. The number of such employees regularly scheduled to work on a holiday shall be kept at a minimum consistent with operational requirements. If the Company determines that the services of an employee who is regularly scheduled to work on a holiday are not required on the holiday, such employee, upon being notified by the Company any time prior to quitting time of their workday preceding the holiday, shall then take the holiday off with pay and their name shall be considered to be removed from the schedule for such day.
- B. An employee may be required to perform prearranged or emergency work on a holiday which falls on a workday in their basic workweek, in which event the employee shall, in addition to their holiday pay, be compensated therefore as provided in Sections 4.19 and 4.23.
- C. Holidays - Non-workday. If an employee is required to work on a holiday which falls on a non-workday they shall be paid overtime compensation for all time worked on such day. Overtime rates apply to all holidays listed in Section 9.1(A), exclusive of floating holidays.

TITLE 10 - VACATIONS

10.1 Vacations - Definitions

- A. Eligibility: The provisions of this Title apply only to regular employees.
- B. A regular employee is an employee who has fulfilled the requirements of Section 5.3 of this Agreement.
- C. Earned Annual Vacation Allowance is the number of paid vacation days which an employee will earn in the calendar year. The number of paid vacation days will be determined by years of employment. Employees are granted the appropriate vacation allowance January 1 for that year's vacation.

10.2 Vacations - Credit

An employee of any of the companies defined in Section 6.2 who is transferred to the Company will be credited, on the date of their commencement with the Company, with all vacation entitlement, deferred, current and service anniversary, to which they would have been entitled on that date had they remained an employee of said listed Company. The employee will henceforth continue to earn vacation entitlement in accordance with the provisions of this Title.

10.3 Vacations - Allowance

- A. New hires will not accrue or receive vacation hours during the probationary period. Following the successful completion of their probationary period, new hires will be eligible for a pro-rated vacation allowance based on the number of full months left in the calendar year.
- B. In the subsequent calendar year and in each year thereafter, up to and including the ninth calendar year following the employment date, a regular employee shall be entitled to a vacation of 120 hours with pay.
- C. In the tenth calendar year and in each year thereafter, up to and including the 19th calendar year following the employment date, a regular employee shall be entitled to a vacation of 160 hours with pay.
- D. In the 20th calendar year and in each year thereafter, up to and including the 24th calendar year following the employment date, a regular employee shall be entitled to a vacation of 200 hours with pay.
- E. In the 25th calendar year and in each year thereafter, a regular employee shall be entitled to a vacation of 240 hours with pay.

10.4 Vacation - Part-Time Regular Employees

A part-time or intermittent regular employee shall earn an annual vacation allowance and bonus vacation as determined in the foregoing Section 10.3, but such allowance will be based on the ratio of the total straight-time hours worked by the employee in a year to 2,080 hours.

10.5 Vacation - Forfeiture

- A. An employee who is absent for twenty-two (22) consecutive workdays or more in any calendar year by reason of leave of absence or layoff without pay for any reason, or for sixty-six (66) consecutive workdays or more in any calendar year by reason of industrial disability, shall in the following calendar year forfeit for each twenty-two (22) workdays of such absence one-twelfth (1/12th) of the number of days of vacation to which the employee is entitled, to be computed to the nearest full day. An employee may, at their option, take the full vacation to which they would be otherwise entitled, in which event they shall receive no vacation pay for the number of days of vacation they have forfeited as herein determined.
- B. If any absence is for less than twenty-two (22) consecutive workdays in duration because of a leave of absence, or layoff without pay for any reason, or is for less than sixty-six (66) consecutive workdays in duration because of industrial disability, an employee shall be entitled to a full vacation as provided for in Section 10.3.
- C. The provisions of this Section shall not apply to part-time employees.

10.6 Vacation Allowance When Laid Off for Lack of Work

An employee who has qualified for a vacation, and who is laid off for lack of work, shall be paid a vacation allowance under the provisions of Section 10.8. Thereafter, if the employee returns to work and their Service is not deemed to be broken under the provisions of Section 6.3 their vacation allowance for the next calendar year shall be computed on the basis one-twelfth (1/12), of the allowance provided for in Section 10.8 for each twenty-two (22) workdays remaining in the calendar year of their return to employment.

10.7 Termination of Employment

Any employee hired for a regular, non-temporary position who terminates their Service with the Company for any reason shall be paid a vacation allowance of one-twelfth (1/12th) of their annual vacation for each twenty-two (22) workdays the employee had worked beyond January 1 of the year in which the employee leaves the Company's service, plus any unused vacation earned in the calendar year(s) preceding their severance.

10.8 Vacation - Scheduling

The Company shall give effect where possible to the vacation selection of employees within each section or location in order of their Service.

In the interest of economy and efficiency of operation, the Company may designate the number of employees who may be on vacation at the same time.

If an employee wishes to divide their annual vacation into two or more periods, such employee shall be given preferential consideration over other employees in their selection of only one of such periods until all other employees have indicated their first choice of a vacation period.

10.9 Vacation - Deferment

An employee may defer their vacation in one year and add it to their vacation in the next following year, provided that the Company gives approval thereto. In no event shall an employee defer their vacation longer than one year, or be permitted to take more than the total of two vacation periods in any one calendar year, or take a vacation in advance of the year in which it is due. If an employee defers their vacation under the provisions of this Section they shall take it at the convenience of the Company and at such time as not to interfere with the regular vacation schedules of other employees.

10.10 Vacation - Involuntary Employee Schedule Change

If an employee forgoes any part of their vacation, the Company shall reimburse the employee for non-refundable out-of-pocket expenses associated with the vacation. At the employee's discretion, the Company shall:

- A. Pay the employee for the time worked and in addition shall pay the employee their vacation pay allowance. Time worked in lieu of time off for vacation shall not be considered overtime as such, but shall be compensated at the rate of pay applicable to the work performed,
or:
- B. Pay the employee premium pay of one and one half times the employee's rate of pay for the first shift worked for which fourteen (14) calendar days notice was not given. Cancelled vacation hours shall be eligible for carryover into the next calendar year subject to the maximum vacation deferment allowed.

10.11 Vacation - Sign-up Sheets

Prior to May of each year, there shall be a sign-up in each district wherein employees may designate their choice of vacation periods. The Company shall prepare the annual vacation schedule on the basis of such sign-up and shall give effect where possible to the selection of employees in order of their Service within their respective classifications. Special sign-up sheets shall be available in the preceding December for those employees desiring their vacation in January, February, March or April.

In the interest of economy and efficiency of operation, the Company may designate the number of employees in a district who may be on vacation at the same time.

If an employee wishes to divide their annual vacation into two or more periods, and it is possible for the Company to give effect thereto, such employee shall be given preferential consideration over other employees in their selection of only one of such periods until all other employees have indicated their first choice of a vacation period.

When more than one employee in a district desires to divide their annual vacation into two or more periods, there shall be subsequent sign-ups as required for selection of open periods not filled by the previous sign-up. Sign-up for additional periods shall be conducted in the same manner with the employee with the most Service having their choice of vacation periods not yet selected.

10.12 Vacation - Holiday during Scheduled Vacation

- A. If a holiday occurs on a workday during an employee's vacation it shall not be counted as one day of vacation.
- B. If a holiday occurs on a non-workday in conjunction with an employee's vacation, the provisions of Section 9.3 shall be applicable.

10.13 Vacation - Sick Leave

The Company shall not require an employee to take their vacation in lieu of sick leave. An employee who has exhausted their sick leave may, at their own discretion, use vacation time when absent due to illness. An employee's ability to use vacation instead of sick leave shall not affect the Company's right to discipline the employee for unavailability or poor work performance.

10.14 Vacation - Computation of Pay

Vacation pay will be computed at the straight-time rate of pay applicable to the employee's regular classification as of the time their vacation is taken, except as provided in Sections 4.6 and 4.7.

10.15 Vacation - Pay In Lieu

Employees may request to sell up to, but not to exceed, one-half of their current annual vacation plus vacation carried over from the previous calendar year in whole hour increments, subject to approval by the Company at its sole discretion.

10.16 Vacation - Commence and End

A vacation shall commence immediately upon the end of the employee's last workday before vacation and terminate at the beginning of the workday when the employee is scheduled to return to work.

TITLE 11 - HOURS

11.1 Hours - Definition

A workweek is defined to consist of seven consecutive calendar days. A basic workweek is defined to consist of five workdays of eight hours each for employees in the seven district locations (Sandpoint, Wallula, Rosalia, Redmond, Klamath Falls, Tuscarora and N. Baja) and the Spokane office. The days in the basic workweek shall be known as workdays, and the other days in the workweek shall be known as non-workdays. Employees may be scheduled to work more or less than the defined number of days per week or for more or less than the defined number of hours per day, but in any such event the basic workweek shall continue to be as herein defined.

11.2 Hours - Basic Workweek

Except as otherwise provided herein, the basic workweek shall be from Monday through Friday.

11.3 Hours - Regular Hours of Work

In general, and except as otherwise provided herein, the regular hours of work for field employees shall be determined by district supervisors and the regular hours of work for head office employees shall be from 8 a.m. to 12 o'clock noon and from 12:30 p.m. to 4:30 p.m., or from 8 a.m. to 12 o'clock noon and from 1 p.m. to 5 p.m.; provided, however, that the regular lunch period may be advanced or delayed one hour or less for any of the following reasons, namely: 1) when work must necessarily be performed by reason of an interruption to service or other emergency having occurred; 2) when work must necessarily be performed to eliminate a hazard to life or property; 3) when continuous coverage is necessary throughout the business day, or 4) when the Company foreman or other supervisor and the employees involved mutually establish a different lunch period or agree to a temporary change in the regular lunch period. A change in lunch period for any of the foregoing reasons shall not be deemed to require the payment of overtime except that if the regular lunch period is advanced or delayed for more than one hour for either of the reasons herein numbered 1) or 2), the employees involved shall be paid at the overtime rate for work performed in the regular lunch period and may eat lunch on Company time.

11.4 Hours - Exceptions to Section 11.3

When the days in an employee's basic workweek are to be temporarily changed for vacation relief or other extended periods of relief, company shall give the employee as much advance notice as is practicable. In any event, notice of such temporary change shall be given not later than the end of the last regularly scheduled work period in an employee's workweek, otherwise their regular schedule shall be applicable until such notice is given.

11.5 Hours – Management Discretion

In the event alternate work hours or basic work week is established through mutual consent of the Company and the Union, other than as described in sub-sections 11.1 and 11.2, the Company may, at its sole discretion, revert to a basic workweek of five workdays (Monday to Friday) of eight hours each for all field employees and locations.

11.6 Hours - Shift Employees Definition

When by reason of the need for attended operation of a compressor station or a meter station, one or more eight, ten or twelve hour watches must be maintained therein, an employee who is assigned to duty on any of such watches shall, for the duration of such assignment, be known as a shift employee.

11.7 Hours - Establishment of Workweek for Shift Employees

The basic workweek of shift employees shall be regularly scheduled. It may start on any day of the week and at any hour of the day. The five workdays and the two non-workdays in the workweek of shift employees may be arranged in cycles of one, two or more weeks, provided that any such arrangement shall first be agreed upon by the Company and the Union.

11.8 Hours - Cycling of Shift Schedules

A. The Company may schedule employees to cycling shift schedules when additional shifts are required for attended operation of a compressor station or meter station. The principle duties of any such employees shall be for attended operation, however, they may be assigned to minor maintenance duties during such assignment.

- B. Subject to operational needs, the Company shall, when such an attended station has ceased to operate or the need for attended operation has ended, return shift employees to their regular schedule of work hours and workdays at the earliest time that it is reasonably practicable to do so. Such time shall, except as provided in 1, 2 or 3 of this Section, be no later than the end of the fourth calendar day after the shutdown or end of need for attended operation; the day of shutdown being counted as the first day of such period.
1. If however, an employee is held on shift after the attended operation is temporarily ended and attended operation is again resumed during said four-day period, the employee shall continue on their established shift schedule.
 2. When an employee has been notified to return to their regular schedule, and is later reassigned to report to their previous shift schedule without having worked their regular schedule, the provisions of Section 11.10(A) shall apply, commencing with the first shift so reassigned.
 3. When an employee is held on their shift schedule beyond four days without attended operation of the station, the provisions of Section 11.10(A) shall apply commencing with the fifth day after shutdown.

11.9 Hours - Variable Work Hours/Outages

Other than as provided in Section 11.8, the Company may schedule employees to perform work for periods of eight, ten or twelve hours, at other than their regular work hours, when additional work periods are needed because of a condition involving the outage of a Company facility, or when by reason of the need for a bargaining unit employee to oversee the work of contractor's employees on Company properties, one or more eight, ten or twelve hour work periods must be maintained therein. The Company shall return such employees to their regular schedule of work hours when the need for the additional work periods has been alleviated.

11.10 Hours - Establishment of New Shift

- A. The Company shall pay overtime compensation for all work performed outside of regular work hours for the first four workdays of any assignment established under the provisions of Sections 11.8 or 11.9. On the fifth workday and thereafter for the duration of any such assignment, the Company shall pay the straight rate of pay for work performed on workdays during the hours of work established under said Sections. If any such situation extends beyond four workweeks the Company and the Union may agree to rotate the assignment of employees thereto, but in such event the overtime compensation herein provided for will not be paid to any employees for more than the first four workday period worked outside of regular work hours.
- B. The provisions of Subsection A above shall not apply unless the duration of the need for additional shifts, as outlined herein, exceeds four days.

11.11 Hours - Return to Regular Schedule

When employees resume their regular schedule of work hours after discontinuance of a change made under the provisions of Sections 11.8 or 11.9, they shall be compensated at the straight rate of pay for work performed during their regular work hours although less than sixteen hours may have elapsed between work periods.

11.12 Hours - Equalizing Workweek of Shift Employees

In changing the days in an employee's basic workweek under the provisions of Section 11.7, the Company shall, if possible, make any such change in a manner which will result in the employee having

the same number of workdays at the straight rate of pay in the payroll period involved as they would have had if the change had not been made.

11.13 Hours - Changes: Public Authorization and Agreement

The regular hours of work established herein may be changed by the Company at the request or direction of public authorities, provided, however, that before any such change is made the Company shall discuss it with the Union. The Company shall not be required to pay overtime compensation by reason of any change made as provided in this Section.

11.14 Hours - Procedures to Change Hours of Week

The regular hours of work and the basic workweeks provided for in this Title may be changed by written agreement between the Company and the Union.

11.15 Hours - Break Periods

The Company shall authorize and permit all employees to take two break periods of 15 minutes each day which insofar as practicable shall be in the middle of each work period. Authorized break period time shall be counted as hours worked for which there shall be no deduction from wages.

TITLE 12 - HEADQUARTERS

12.1 Headquarters - Regular

Except as provided in Sections 12.2 and 12.3 inclusive, an employee shall report to a Company headquarters to which they have been regularly assigned and they shall return thereto at the conclusion of the day's work. The time spent in traveling between such headquarters and the job site shall be considered as time worked.

12.2 Headquarters - Temporary

The Company shall have the right to assign an employee to a temporary headquarters. Section 12.1 hereof shall not apply to an employee who has been temporarily assigned to a work headquarters and who, at the direction of the Company supervisor in charge, reports directly to such temporary headquarters. Under the provisions of this Section, travel to and from an employee's home and such temporary headquarters shall be considered as time worked. The provisions of Section 15.6 shall apply to the use of an employee's personal vehicle.

12.3 Headquarters - Temporary - Non-Commutable Distance

Section 12.1 hereof shall not apply to employees temporarily engaged in work at locations which qualify them for the expense allowance provided for in Section 14.1 hereof. Such employees, while assigned in such location, shall report to a temporary work headquarters and shall travel to and from such established headquarters and the place where board and lodging are either furnished or designated with such travel time to be considered as time worked. Transportation between the location where the employees board and lodge and such designated headquarters shall be arranged for by the Company.

TITLE 13 - EQUITABLE DISTRIBUTION OF OVERTIME

(Applicable to employees in the Physical lines of progression only, per Exhibit C)

13.1 Equitable Distribution of Overtime – Definition

Employees shall not be required to be on call, unless they are scheduled to be on standby, as described in Section 4.27. The Company, with the Union's cooperation, shall establish schedules for employees who volunteer to be available for standby duty in case of an emergency. When there are insufficient volunteers available for standby duty, the Company will continue to require employees to report for work on an emergency basis. The time during which an employee is available for duty shall not be considered as hours worked.

13.2 Equitable Distribution of Overtime - Overtime Distribution Procedures

Overtime work shall be distributed as equitably as is practicable among employees in the same classification and location.

13.3 Equitable Distribution of Overtime - Overtime Distribution Records

At each location where employees are headquartered, the Company shall maintain records of the number of hours of overtime worked, or standby time served, by each employee. Such records shall be distinguished by classification. Current records of overtime hours worked or standby time served shall be displayed on the Company bulletin board at each headquarters and shall be brought up to date on a daily basis when overtime is incurred on a regular workday.

13.4 Equitable Distribution of Overtime - Overtime Distribution Adjustments

As of December 31 of each year, in each location the overtime or standby hours record of each employee shall be adjusted by the subtraction from their total number of overtime or standby hours of a number equal to the total number of accrued overtime or standby hours of the employee in the same classification having the least number of hours. The differences resulting from such subtraction shall be the adjusted beginning numbers of accrued hours for the ensuing year.

13.5 Equitable Distribution of Overtime - Overtime Distribution Classifications

For the purposes of equitable distribution of overtime, the classifications Multi-Skilled Technician, Mechanical Stream and Multi-Skilled Technician, Technical Stream shall be considered the same.

13.6 Equitable Distribution of Overtime - Overtime Distribution Conditions

- A. Overtime worked during any temporary upgrade within the bargaining unit shall be accrued in and posted to the employee's regular classification.
- B. The first four workdays during a shift change, which are paid at the overtime rate under Section 11.10, shall not accrue for the purposes of equitable distribution of overtime.
- C. Hours worked during an employee's regular work hours on a workday under an overtime compensation situation shall not accrue for the purposes of equitable distribution of overtime.
- D. An employee who is absent for more than 25 consecutive workdays, for reasons of sickness, injury or leave of absence, shall have recorded in their overtime hours record upon their return to work the average of overtime hours worked by those employees of like classification in their location who were at work actively during the period of absence.

13.7 Equitable Distribution of Overtime - Overtime Distribution - Long Term Upgrades

Overtime worked during any temporary upgrade outside the bargaining unit, when such upgrade lasts for a period of twenty (20) consecutive workdays or less, shall be accrued in and posted to the employee's regular classification.

13.8 Equitable Distribution of Overtime - Overtime Distribution - Temporary Upgrades

- A. Except as provided in Section 13.7, overtime worked by an employee during any temporary upgrade outside the bargaining unit shall not be considered as overtime accrued in their regular classification.
- B. When an employee returns to their regular classification after an assignment as described in Subsection A above, there shall be posted to the record of their regular classification a number of hours equal to the greatest number of overtime hours worked by an employee in that classification and location during the period of such temporary assignment. Thereafter such returning employee shall receive assignments of overtime work as though they had actually worked that number of overtime hours in their regular classification during the period of the temporary assignment.

13.9 Equitable Distribution of Overtime - Overtime Distribution - New Classification/ Headquarters

Whenever an employee enters a classification at a headquarters, the overtime hours record shall be adjusted for that classification and headquarters.

- A. If the new number of employees in the classification is two, the overtime hours record of each shall be adjusted to zero.
- B. If the new number of employees in the classification is greater than two, the average of the overtime hours records of those employees who were in the classification and headquarters when the entering employee entered the classification shall be calculated. The record of the entering employee shall be posted with the average thus computed. Thereafter, overtime work shall be distributed on the basis of the records as posted.

13.10 Equitable Distribution of Overtime - Overtime Distribution Accrual/Minimum Pay

When an employee, on being called out for overtime work, works less than two hours but receives the two-hour minimum pay, their overtime hours accrual shall show two hours of overtime work.

13.11 Equitable Distribution of Overtime - Overtime Distribution Records - Decline to Work

Any employee who does not avail themselves of the opportunity to work overtime when it is offered (except for reason of illness) shall have recorded in their overtime hours record an amount of overtime equal to the number of overtime hours recorded for the person who worked in their stead.

13.12 Equitable Distribution of Overtime – Pre-Arranged Overtime

Should a situation arise where there are no volunteers or the number of volunteers for prearranged overtime are insufficient for the work that must be performed, the Company shall assign the work to the employee(s) in the needed classification who has the least number of factual overtime hours as listed on the Overtime Distribution Reports as defined in 13.4 of the Agreement. In each such situation of forced prearranged overtime assignment, where more than one employee has the same number of actual overtime hours worked and one or more of these employees is to be required to work, the employee(s) with the least service (as defined in Title 6) shall be required to work. Should an employee be on a

scheduled vacation or sick leave, other than routine Doctor or Dentist visits, the employee will not be called, except in an emergency. While the employee is on vacation or sick leave the employee will not be charged if they turn down the overtime.

13.13 Equitable Distribution of Overtime - Overtime Distribution Records - Holidays

Time worked on a holiday, when such work is part of an employee's regular schedule, is neither prearranged nor emergency overtime. Such time shall not be considered in the equitable distribution of overtime, nor shall such time be recorded in the overtime hours records.

13.14 Equitable Distribution of Overtime - Overtime Distribution Records - Vacations

An employee who is on vacation shall be moved to the bottom of the overtime schedule for their classification for work involving prearranged overtime and emergency call outs for the period between the end of the employee's last regular day of work preceding the employee's vacation and the beginning of the employee's first regular day of work following the vacation.

TITLE 14 - INCLEMENT WEATHER PRACTICE

14.1 Inclement Weather Practice - Regular Employees

Regular employees who report for work on a workday, but are not required to work in the field because of inclement weather or other similar cause, shall receive pay for the full day. During such day they may be held pending emergency calls and may be given first aid, safety or other instruction, or may be required to perform miscellaneous work in the yard, warehouse, or other sheltered location.

An employee who cannot report for work at his assigned work location because he cannot travel safely due to inclement weather, or for other similar reasons beyond the employee's control, shall call his manager (or his manager's designee). If the manager (or his designee) excuses the employee from reporting that day, the Company shall pay the employee for a normal day of pay.

14.2 Inclement Weather Practice - Probationary Employees

Probationary employees who report for work on a workday but are not required to work in the field because of inclement weather or similar cause shall be paid only for the time they work or are held by the Company, except, however, that they shall be paid compensation for not less than two hours.

TITLE 15 - EXPENSES

15.1 Expenses - Temporary - Non-Commutable Distance

- A. For employees who are assigned to temporary work at such distance from their established headquarters that it is impracticable for them to return thereto or to their regular place of abode, the Company shall:
1. Allow for the duration of such assignment actual personal expenses for board and lodging and for other incidental items of expense approved in advance of the assignment, provided that they board and lodge at places to be designated by the Company, or may, at the request of an employee,
 2. Set up a "per diem" allowance while such employees are in residence at a temporary place of abode provided such temporary assignment is of a six-workday duration or more, exclusive of travel time.

An employee may receive an expense allowance under either Subsection (A)1 or (A)2, but in no event shall the Company pay an employee an allowance under both Subsection (A)1 and (A)2 concurrently or provide an employee with board and lodging if such employee is receiving a "per diem" allowance.

The time spent by such employee in traveling at a reasonable rate of speed to their temporary headquarters or their temporary place of abode at the beginning of a temporary assignment and from it at its conclusion and any allowable expense incurred therein shall be paid for by the Company.

- B. The Company shall provide for transportation to the temporary headquarters at the beginning of the assignment and from it at the conclusion, however, the Company may, at the request of an employee, allow them to provide their own transportation. In such event the employee shall be allowed mileage expense as provided in Section 15.6.

15.2 Expenses - Temporary - Non-Commutable Distance - Non-Workdays

If on their non-workdays any such employees remain at such designated places, their expenses for board and lodging on such days shall be paid by the Company, but if they go elsewhere for their personal convenience, the Company shall not reimburse them for any expense they incur thereby. If any such employees return to their homes for their non-workdays, including any holiday which immediately precedes or follows their non-workdays, the Company at its option shall:

- A. Allow them for transportation the equivalent of any savings it realizes in their board and lodging costs, or
- B. Provide round trip transportation by the Company vehicle between their temporary headquarters and their regular headquarters and pay them travel time in each direction, such travel time to be considered as time worked.
- C. In lieu of Subsections A and B hereof, and when the duration of a temporary assignment is greater than two consecutive workweeks, an employee may in any workweek in which they do not work on a non-workday elect to provide their own transportation between their temporary headquarters and their regular place of abode, in which event the Company shall give the employee an allowance for actual time spent in traveling at a reasonable rate of speed between such locations exclusive of stopovers. Such allowance shall be computed at the straight rate of pay of their classification at the temporary headquarters. In addition, the employee shall be allowed mileage expense as provided in Section 15.6.

15.3 Expenses - Commutable Distance – Lunch

- A. Other than as provided in Subsection B, employees who leave from and return to their established headquarters the same day shall not be reimbursed for lunch expense.
- B. If an employee who works in an office or shop is temporarily required to be away from such work location and is thereby prevented from following their usual lunch arrangement, the Company shall reimburse the employee for lunch expense if such employee had not been given notice prior to their quitting time on the previous workday.

15.4 Expenses - Relocation - Company's Request

An employee who is required to change their residence from one locality to another for the Company convenience shall be reimbursed by the Company for any expense the employee incurs thereby in moving their household goods. Except as provided in Section 19.5 no reimbursement shall be made by the

Company for expenses incurred by an employee in connection with a transfer which is made at employee's request or as a result of their bid for a job.

15.5 Expenses - Use of Personal Vehicle

An employee who is authorized by the Company to use their personal vehicle in connection with their duties shall be entitled to a vehicle mileage allowance at the mileage rates established by the Company from time to time.

TITLE 16 - MEALS

16.1 Meals - Definition

The provisions of this Title shall be interpreted and applied in a practical manner which shall conform to the intention of the parties in negotiating with respect to meals, namely, that a comparable substitute shall be provided when employees are prevented from observing their usual and average meal practices or are prevented from eating a meal at approximately the usual time therefore.

16.2 Meals - Emergency Work

- A. If the Company requires an employee to perform emergency work on their non-workday or wholly outside of their regular work hours on workdays, it shall, if possible, provide the employee with a meal at intervals of approximately four hours for as long as such work continues, but such employee shall not be required to work more than five consecutive hours without a meal if one can be provided. This Subsection shall be construed to not apply to cases wherein work extends beyond regular quitting time on a workday.
- B. If the Company requires an employee to perform emergency work on workdays starting two hours or more before regular work hours and such employee continues to work into regular work hours, the employee shall provide for one meal on the job and the Company shall provide other meals as required by the duration of the work period, but if such emergency work starts less than two hours before regular work hours, the usual meal arrangements shall prevail. If in any of the foregoing cases, the Company does not give an employee an opportunity to eat a breakfast and prepare a lunch before reporting to work, it shall provide such meals for the employee. The meals provided for in this Subsection shall be eaten at approximately the usual time therefore and the usual practice relating to lunch periods on workdays shall prevail.

16.3 Meals - Work Beyond Quitting Time

If the Company requires an employee to perform work for one and one-quarter hours beyond regular work hours on a time card basis, it shall provide the employee with a meal approximately one hour after regular quitting time and with meals at intervals thereafter of approximately four hours but not more than five hours for as long as the employee continues such work.

16.4 Meals - Prearranged Work

- A. When an employee is required to perform prearranged work on non-workdays during regular work hours the employee shall observe the lunch arrangement which prevails on their workdays. If such work continues after regular work hours the Company shall provide the employee with meals in accordance with the provisions of Section 16.3 hereof.

- B. If the Company requires an employee to perform prearranged work wholly outside of regular work hours on workdays or non-workdays, such employee shall be permitted to have time off for a meal approximately four hours but not more than five hours after the employee starts work, such meal to be furnished by the employee at their own expense. The time necessarily taken for any such meal up to one-half hour shall be at the Company's expense.
- C. If prearranged work as described in Subsection B hereof continues after the meal provided for in said Subsection, the Company shall provide subsequent meals at intervals thereafter of approximately four hours but not more than five hours for as long as such work continues.
- D. If the Company requires an employee to perform prearranged work starting two hours or more before regular work hours on workdays or non-workdays and such employee continues to work into regular work hours, the employee shall provide for one meal on the job and the Company shall provide other meals as required by the duration of the work period. The meals provided for in this Subsection shall be eaten at approximately the usual times therefore and the usual practice relating to lunch periods on workdays shall prevail.

16.5 Meals - Reimbursement

The Company shall reimburse employees for the cost of meals under the provisions of this Title.

16.6 Meals - Time To Consume

The Company shall pay the cost of any meal which it is required to provide under this Title, and shall consider as hours worked the time necessarily taken to consume such meal, except, however, that when a meal is taken at Company expense following dismissal from work the time allowance therefore shall be one-half hour.

16.7 Meals - Travel Time

In determining time intervals for the purpose of providing meals there shall not be included any travel time from an employee's home nor any time allowed for meals.

16.8 Meals - Shift Employees

Notwithstanding any of the foregoing provisions, shift employees whose workday consists of eight, ten or twelve consecutive hours shall be permitted to eat their meals during work hours and shall not be allowed additional time therefore at Company expense.

16.9 Meals - Regular Work Hours

Except as provided in Sections 15.3(B), 16.2(B) and 16.4(D) hereof, nothing contained herein shall be construed to require the Company to provide meals during regular work hours on workdays.

16.10 Meals – Payment in Lieu of Meal

If the Company fails when required by this Agreement to provide a meal to an employee or the employee has not obtained a meal at the Company's expense, the Company shall compensate the employee for one-half hour and pay to the employee \$25.00 in lieu of the meal that would have otherwise been provided or paid for by the Company.

TITLE 17 - SUPPLEMENTAL BENEFITS FOR INDUSTRIAL INJURY

17.1 Supplemental Benefits - Described

When an employee is absent by reason of injury arising out of and in the course of the employment with the Company which comes within the application of a Workers' Compensation Act or Law, such employee shall be eligible, upon application, for supplemental benefits for the duration of temporary disability. Such benefits shall commence with the first day of absence immediately following the day of injury. The amount of the supplemental benefit payable for each day of absence in the employee's basic workweek for the first 182 days of absence shall be 85% of an employee's basic weekly rate divided by five, less the sum of any payments to which they may be entitled under the governing Workers' Compensation Act or Law. On the 183rd day of absence and thereafter, the supplemental benefit payable for each day of absence in their basic workweek shall be 75% of an employee's basic weekly rate divided by five, less the sum of any payment to which employee may be entitled under the governing Workers' Compensation Act or Law. Any supplemental benefits paid during the first week of disability shall be considered as an advance against disability compensation which may be retroactively due under the provisions of the governing Workers' Compensation Act or Law. Supplemental benefits shall be considered as an advance which may be deducted from any permanent disability award or settlement and reimbursed to the Company.

17.2 Supplemental Benefits - Light Duty

Notwithstanding any other provisions of this Agreement, an employee who is absent by reason of industrial disability may be returned to work, with the concurrence of the state Workers' Compensation Board having jurisdiction, if such concurrence is necessary, and given temporary light duties within their ability to perform. The duration of any such period of temporary work shall be determined by the Company. An employee shall be compensated at the rate of pay of their regular classification while engaged in such temporary duties.

TITLE 18 - JOB BIDDING, TRANSFERS AND PROMOTIONS

18.1 Job Bidding and Promotion - Service Consideration

In cases of promotion, transfer, demotion and layoff because of reduction in force, the Company shall give consideration to an employee's Service as set forth in this Title and Title 6, but no consideration shall be given under such Titles to a probationary employee.

18.2 Job Bidding and Promotion - Temporary Appointments

Whenever a vacancy occurs in any job classification, the Company may temporarily fill it by appointment. If practicable, any such temporary appointment shall be given to the employee in the location in which the vacancy occurs who would be eligible therefore under the job bidding provisions of this Title.

From time to time the Company may have opportunities for bargaining unit employees to temporarily fill exempt (non-bargaining unit) positions.

A. Temporary Appointments to Exempt Positions – Less Than 30 Calendar Days

These appointments may be performed by contractor, exempt personnel or upgraded bargaining unit employees. The Company retains the right to select individuals for the positions based on their leadership and managerial skills.

While the employee is in this position, they will continue to be represented by the Agreement and will receive appropriate overtime based on actual hours worked.

In recognition of the managerial responsibilities of the position, the Company provides the following guidance for compensation of a Union employee in this position:

1. Multi-Skilled Technician, Mechanical Stream –
 - a. If the appointment is in the first year of the Agreement – an increase in base pay of 9.3%
 - b. If the appointment is in the second year of the Agreement – an increase in base pay of 7.7%
 - c. If the appointment is in the second year of the Agreement – an increase in base pay of 6.4%
2. Multi-Skilled Technician, Mechanical Stream (with welding as secondary skill) – increase in base pay of 9.3%
3. Multi-Skilled Technician, Controls Stream – increase in base pay of 3.7%
4. Administrative Staff – increase in base pay of 3.0%

B. Temporary Appointments to Exempt Positions – Greater Than 30 Calendar Days

Employees accepting temporary appointments expected to exceed 30 calendar days will be assigned to the exempt positions and will not be represented by the Agreement for the duration of the appointment. As such, union dues will not be withheld from the employees' pay and the employees will not earn service time for the purposes of transfers, promotions, demotions or layoffs. The employees will be offered appropriate compensation and benefits as the Company chooses, outside the Agreement.

If the appointment ends, through no fault of the employee, before 30 calendar days have expired, the employee will receive the compensation and benefits applicable under Subsection A above, including retaining all rights provided in the Agreement.

C. Temporary Opportunities – Out of Region

When an out of region opportunity occurs, priority will be given to employees who have training and development plans aligned to the opportunity. The selection process will include current performance, amount of training a represented employee has already received relative to their training and development plan, business requirements, and their availability at the time. If more than one volunteer meets the requirements of the opportunity, selection will be made by seniority. At the next request for an out of region opportunity, the previous volunteer that received an opportunity will be moved to the bottom of the volunteer list until all the volunteers have been assigned or are no longer volunteering for an out of region opportunity. When within six months of a previous out of country assignment arises, the Company may elect to send a previously assigned employee, regardless of seniority, in the interest of job continuity.

18.3 Job Bidding and Promotion - Multi-Skilled Technician Line of Progression

There shall be progression within each Multi-Skilled Technician Stream (Mechanical and Controls) according to progression guidelines established by the Company. The Company shall have discretion to develop and implement a Multi-Skilled Technician training program consistent with these guidelines. Progression from the top Utility Worker level to the lowest Multi-Skilled Technician level shall not be automatic.

18.4 Job Bidding and Promotion - Job Posting

The Company shall post, throughout its system a list of all job vacancies, by location, as they occur in the unit described in Title 1, including vacancies which have previously been posted but which have remained unfilled for a period of three months from the date last posted, or from the date on which the Company determined that there were no qualified bidders, and including vacancies temporarily filled by the Company as provided in Section 18.2, but excluding temporary vacancies and vacancies in temporary jobs. A vacancy created by an employee's absence on leave or by reason of temporary disability shall be deemed to be a temporary vacancy.

Postings for Multi-Skilled Technicians will be posted by stream, either Mechanical or Controls. The Company shall have the right to require welding as a secondary skill within the Multi-Skilled Technician – Mechanical Stream where the Company determines the need to do so.

18.5 Job Bidding and Promotion - Bid Postmarks

Any regular employee of the Company may submit by United States mail on a form provided by the Company a bid on any job posted as vacant, but the Company need not consider any bid which is postmarked more than ten days from the date of the posting of the job on which bid is made. Bids shall be mailed to the address shown on the bid form.

18.6 Job Bidding and Promotion - Change of Classification Request

- A. Regular employees who wish to change from one line of progression to another may submit Request For Change of Classification on a form provided by the Company. The Company need not consider any such request which is received less than eight (8) calendar days after the posting for bid of a vacancy in the requested classification.

The Company shall acknowledge receipt of all Requests For Change of Classification within fifteen (15) calendar days from the day of receipt and shall notify in writing an employee who transmits a request hereunder of the requirements for entering the classification, including information regarding testing programs which must be completed.

- B. The Company shall make unrestricted appointments in filling one-half of the vacancies in beginner's classifications. Beginner classification is defined as the first position in each line of progression, as shown in Exhibit C.
- C. In making appointments to fill the remaining one-half of the vacancies in beginner's classifications in each line of progression in a given headquarters, the Company shall give preferential consideration to regular employees who have previously requested in writing a transfer to fill such vacancies, preference for appointment being given to the employee in each classification who has the greatest Service.

18.7 Job Bids - Lead Classifications

The Company may designate a number of Multi-Skilled Technician positions at any headquarters as leadership positions. In making an appointment to fill a job vacancy in a classification in which an employee must exercise lead duties, the Company shall consider bids of employees submitted as herein provided, but the Company may nevertheless make an appointment from among the most senior qualified bids to fill such vacancy on the basis of ability and personal qualifications. The Company will notify all impacted employees on the original candidate list of their status after the interviews are completed.

18.8 Job Bidding and Promotion - Bid Consideration

Bids on any job shall be given preferential consideration in the following sequence.

- A. Bids made by employees who are entitled to preferential consideration under Section 19.4.
- B. Bids made by employees who are in the same classification as that in which the vacancy exists, or in classifications which are higher thereto in the normal line of progression, or at the top rate of pay of the next lower classification in the normal line of progression, as defined in Exhibit C.
- C. Bids made by employees regardless of classification.

18.9 Job Bidding and Promotion - Preferential Bids - Service

When employees in the same preferential sequence as provided in Section 18.8 are each qualified by knowledge, skill, efficiency, adaptability and physical ability for appointment to a job, the employee with the greatest Service shall be given preference.

18.10 Job Bidding and Promotion - Bypass for Lack of Qualifications

- A. Notwithstanding anything contained in this Title, the Company may reject the bid of any employee who does not possess the qualifications, knowledge, skill, efficiency, adaptability and physical ability required for the job on which the bid is made.
- B. The Union recognizes the unique adaptability required for classifications in the administrative lines of progression involving routine personal contact with the public, as well as the latitude which must be accorded management in determining an employee's adaptability for any such classification.
- C. The Company may develop and utilize tests to assist in determining an employee's qualifications.
- D. The Company need not consider any bid from an employee whose performance in their current position is demonstrably unsatisfactory.

18.11 Job Bidding and Promotion - Lack of Bids

If the Company does not, within the time provided in Section 18.5, receive any bids on a job which has been posted, or does not receive a bid from an employee who possesses the qualifications set forth in Section 18.10, it may in its discretion make a final appointment to such job.

18.12 Job Bidding and Promotion - Appointment Notice

When an employee is appointed to a vacancy in preference to an employee with greater Service as provided in Section 18.7, the Company shall notify the Union, in writing, of its decision at least five days prior to completion of the transfer or promotion.

18.13 Job Bidding and Promotion - Bid Grievances

An employee aggrieved by the Company's application and interpretation of the Service and job bidding policies established herein may thereon invoke the dispute resolution procedure of this Agreement.

18.14 Job Bidding and Promotion - Transfers

Notwithstanding anything contained herein, the Company by agreement with the Union may transfer into a job vacancy any employee who has earlier requested such transfer for reasons of urgent necessity, such as impairment of their health or that of a member of their family or the lack of adequate educational facilities for their children in the locality in which the employee has been employed, provided, however,

that a transfer shall not be made hereunder into a classification which has a wage rate higher than the classification of the employee who has requested the transfer.

18.15 Job Bidding and Promotion - Special Provisions

By written agreement between the Company and the Union, special provisions may be substituted for the provisions of this Title.

TITLE 19 - DEMOTION & LAYOFF

The following Section 19.1 applies only to employees displaced, demoted or laid off for lack of work. Demotion for any reason other than lack of work, including poor work performance, is provided for in Section 19.7.

19.1 Demotion & Layoff - General Rules

The provisions applicable to employees in cases of displacement, demotion or layoff due to lack of work or the return of an employee from leave of absence for the Union business or military service shall be applied in such manner as to give effect to the following:

- A. By written agreement between the Company and the Union, special provisions may be substituted for the provisions of this Title.
- B. For reason of lack of work at their location, the Company may demote a supervisory or other non-bargaining unit employee who formerly was in the bargaining unit to a vacancy in the Collective Bargaining Unit not otherwise filled by Title 18. Such employee, or any employee who enters the bargaining unit from a supervisory or non-bargaining unit position, shall thereupon be entitled to exercise the rights set forth in this Title. The Company shall not demote, displace, or lay off a current unit employee as a result of receiving the non-unit employee. For the purposes of Titles 18 and 19 only, such employees shall have a seniority date of their most recent re-entry into the bargaining unit.
- C. If there is no job to which the Company can demote an employee under Section 19.5, or if the employee does not effect a displacement under any of the elections in Sections 19.4 and 19.5, the employee will be laid off.
- D. If, at the time the proposed action actually takes place at a location, there are employees other than on a temporary assignment in such location that are subject to displacement, the provisions of Sections 19.1 – 19.6 shall apply to such employees.

19.2 Demotion & Layoff - Notice

Employees shall be given as much notice as practicable of the Company's proposed action.

- A. For demotion, notice of not less than 10 calendar days shall be given, advising the employee of the classification to which they are to be demoted, and whether there are any vacant jobs which they may fill, or any jobs that they may elect to fill by displacing another employee.
- B. For layoff, employee shall be given notice of not less than 30 calendar days; however, notice of layoff need not be given to probationary employees.

19.3 Demotion & Layoff - Service

An employee's service, as defined in Title 6, shall be the determining factor in the application of this Title.

19.4 Demotion & Layoff - Preferential Consideration

For the purpose of enabling employees who have been demoted or transferred under the provisions of this Title, or to enable employees who have been, or are on, Long Term Disability status to return to their former status on an accelerated basis, the Company will, notwithstanding the provisions of Section 18.9, give preferential consideration in the following sequence to the bids made by such employees on any job posted as vacant:

Bids made by employees who formerly worked in such posted job classification & location, and who were either transferred from such location or demoted from such classification, or were placed on Long Term Disability status from such headquarters. An employee's bid shall not be considered under this Subsection if, following their demotion or transfer, they have not exercised each opportunity available to them to bid on a job in their former classification and location.

In considering bids on the same job from two more employees under the provisions of this Title, the Company shall give preferential consideration to the employee with the greatest Service.

19.5 Demotion & Layoff - Displacement

A. When a staff reduction is to be made in a classification within a section or location, the employee with the least service in such classification shall be demoted to the next lower classification in the reverse order of the normal line of progression for their classification.

B. An employee may not displace another employee whose service is equal to or greater than their own.

An employee also may not displace an employee in a classification with a wage rate higher than their own, except where such classification is considered to be the same in accordance with the lines of progression as shown in Exhibit C.

C. If more than one demotion is to be made, the within procedure shall first be applied to the highest classification within a section or location to be affected, and then to successively lower classifications.

D. If successive demotions must be made, the same procedure shall apply at each step until the employee is either placed in another job or laid off.

E. Employees to be affected shall be considered as though they had already been demoted, and will have their bids to fill vacancies in the same or lower classifications, in the normal lines of progression, considered under the provisions of Section 19.6, notwithstanding the provisions of Title 18.

F. When a vacancy in an appropriate classification exists, such vacancy will be filled in accordance with the appropriate provision of this Title, instead of displacing another employee as provided herein.

If such vacancies exist at more than one location, the Company shall provide affected employees with a list of such vacancies and their locations. The employee may then elect to fill any such vacancies.

- G. Employees in the physical lines of progression shall have the right to displace:
1. The least senior employee in the Company within the same classification, or
 2. The least senior employee in his/her section or location of a lesser classification, or
 3. An employee pursuant to Section 19.5(J), if applicable.
- H. The following process shall be used for employees in clerical lines of progression shall who are displaced due to lack of work at a headquarters:
1. Employees will be notified when any management position is eliminated and the supporting clerical position may no longer be required.
 2. If there are other open clerical bargaining unit positions at the Company's headquarters, they will be posted and filled in accordance with Section 18.4. If no candidates submit bids to fill this position, the Company will have the opportunity to approach an at-risk employee in the same line of progression as the vacated position.
 3. If acceptable to the employee, the Company shall transfer the at-risk employee in the affected department to an open interchangeable classification in the same line of progression.
 4. If a lack of work situation is still present in a department, the junior employee in the affected classification and line of progression shall be demoted or transferred to an opening in the next lower job level in the same line of progression. If no opening exists, the junior employee in the next lower job level shall be displaced subject to the Company's right under Section 19.5(J).
- A layoff of an employee will only occur after all possible demotion and displacement options have been exhausted.
- I. An employee who has been demoted may exercise their right to displace another employee within the same line of progression as if the demotion had not occurred.
- J. The Company may reject the displacement request of any employee who does not possess the qualifications, knowledge, skill, efficiency, adaptability and physical ability required for the job to which displacement is sought, subject to the grievance procedure.
- K. Previous Work History
- If the Company cannot effect a demotion of an employee in accordance with Section 19.2 and such employee does not, for any reason, effect an election to displace another employee in accordance with Section 19.5, the employee may elect to displace the employee with the least service in another classification and line of progression, provided that the demoted employee has previously worked in that classification for at least six months. An employee may exercise such election only for the purpose of returning to the line of progression in which they worked immediately prior to entering the line of progression from which the election was exercised.
- L. Non-Commutable Distance
- When an employee is to be displaced under the provisions of this Title because of lack of work at their location, and their new location is beyond commutable distance from their residence, the Company shall reimburse the employee for reasonable costs incurred in connection with moving their household, in a sum not to exceed \$5,000.
- M. Field Administrative employees may elect to displace the field administrative employee with the least service in the system, provided the preceding provisions of this Section have been met.

19.6 Demotion & Layoff - Rehire Rights

- A. A regular full-time employee who has been laid off from a regularly authorized position for lack of work for a period of less than three years shall be entitled to preferential rehire in the reverse order of layoff in the appropriate line of progression in their previous location, unless the employee notifies the Company that they are no longer interested in employment with the Company, or rejects an offer of re-hire.

The Company shall send notice of openings for re-employment by U.S. Registered Mail to the last mailing address, as furnished by the laid off employee. Such laid off employee must advise the Company within seven (7) calendar days whether or not they accept such re-employment. If no reply is received by the Company within seven calendar days after the notice is mailed, the employee will be considered terminated, and the next employee on the laid off list shall be notified of the opening.

To expedite rehiring, more than one employee may be notified of an opening, but priority shall be given to employees in the reverse order of the layoff. Employees recalled shall report to work within 14 calendar days after advising the Company of their acceptance of re-employment. If they fail to report within such time, they shall be considered terminated, with no further re-employment rights under this Section.

An employee returning to employment under the provisions of this Section must possess the necessary skills, ability and physical qualifications to perform the duties of the position to which they return, subject to the grievance procedure.

- B. Preferential rehire rights under the provisions of this Section, for a regular full-time employee on lay-off status from a Temporary classification shall only apply to a vacancy occurring in the same Temporary classification and location.

19.7 Demotion & Layoff - Other Than Lack of Work

An employee who is demoted for any reason other than for lack of work may be placed in a vacancy created in their location by the promotion of one or more employees to fill the job which the demoted employee vacated. If no such vacancy occurs, the employee may be demoted to a lower classification in the company. In the application of this Section, an employee shall be demoted to a vacancy in the first successively lower classification which such employee is qualified to fill.

19.8 Demotion & Layoff - Former Bargaining-Unit Employee

A supervisory or other employee who was not at the time of demotion a member of the bargaining unit, but who formerly worked in a classification which is in such unit may be demoted for any reason other than lack of work into a previously existing vacancy in such unit, or into a vacancy which was created by the concurrent transfer or promotion of an employee out of such unit in connection with such demotion.

19.9 Demotion & Layoff - Lack of Qualifications

In the event an employee can no longer maintain the qualifications of their position and cannot be placed in a vacancy at such employee's location under the provisions of Section 19.7, the employee shall be placed in a temporary classification of the next lower position in their line of progression in the location to which the employee is normally assigned, and shall remain in such temporary classification until a vacancy occurs in a permanently authorized position in their new classification. Placement in such classification shall be made after job bidding procedures have been completed. It is further understood that the provisions of Section 19.4 will apply to the demoted employee.

19.10 Severance

The Company will pay severance pay to eligible employees laid off as follows:

Regular employees who have completed one (1) year or more of continuous service shall be given an allowance including (a) Four weeks pay (base classification) plus two weeks' pay for each year of service; and (b) A lump sum payment of \$5000. The lump sum payment is designed to partially offset COBRA and life insurance conversion coverage, but the employee has no obligation to use it for COBRA conversion or continued life insurance coverage.

Employees who are rehired within twelve (12) months of lay-off and are subsequently laid off within twelve (12) months of being rehired will receive a prorated severance. The prorated severance amount will be equal to the difference between the severance amount(s) the employee previously received and the severance amount calculated using the employee's current years of service.

Payment of any severance pay is dependent on signing the agreed-to Severance Agreement and Release.

When an employee who has been laid off is recalled during his/her severance/notice period he/she will repay the prorated severance received for the remainder of the severance period.

TITLE 20 - MISCELLANEOUS

20.1 Miscellaneous - Work Performed by Outside Contractors

It is recognized that the Company has the right to have work done by outside contractors.

- A. In the exercise of such right the Company will not make a contract with any other firm or individual for the purpose of dispensing with the services of employees who are engaged in maintenance or operating work.
- B. The Company may exercise such right when temporary clerical services are required for a limited period of time because of an emergency situation, a specific project, or as back up for vacancies or workload relief due to rotational assignments, leaves of absence, extended vacations, etc. If such bargaining unit clerical work is to continue past six months, unless specifically agreed to in writing by the parties, the Company will consider transfer requests of current employees for the temporary or regular filling of the classification as provided in Title 18. Additionally, the Company shall furnish the Union with monthly reports regarding such temporary employment, including the name of the temporary employee, the nature of the work being performed and the commencement and duration of the employment.
- C. The Company reserves the right to have work performed by outside contractors off site for economic reasons, consistent with past practice.

20.2 Miscellaneous - Bargaining Unit Work by Supervisors

Supervisors and other employees not in the bargaining unit shall perform work usually assigned to employees in the bargaining unit only under the following circumstances:

- A. Emergency situations; or
- B. Training of employees and demonstrating work methods; or
- C. Incidental assistance and de minimis assignments.

Confidential employees may perform clerical work similar to that usually assigned to employees in the bargaining unit.

20.3 Miscellaneous - Anti-abrogation Clause

- A. The Company may not, merely by virtue of contract silence on a particular issue, abrogate or reduce the scope of any wages, hours, or working conditions beneficial to employees.
- B. The Union may not, merely by virtue of contract silence on a particular issue, abrogate or reduce management rights with regard to any wages, hours, or working conditions beneficial to the Company.
- C. If work practices, other than wages, hours, and working conditions, are to be changed, the Company will notify the Union.
- D. Section 20.3 applies only to the initial term of this Agreement.

20.4 Miscellaneous - Enabling Clause

By written agreement, other provisions may be substituted for or added to the provisions of this Agreement.

TITLE 21 - TERM

21.1 Term

This Agreement, having taken effect as of July 1, 1962 for physical and December 9, 1988 for office and clerical, and having thereafter been amended from time to time, shall continue in effect as further amended herein for the term of April 1, 2012 to March 31, 2016, and shall continue thereafter from year to year unless written notice of termination shall be given by either party to the other 60 days prior to the end of the then current term.

21.2 Term - Amendment Notice

Except as provided otherwise herein, if either party desires to amend this Agreement it shall give notice thereof to the other party 120 days prior to the end of the then current term, in which event the parties shall commence negotiations on any proposed amendment as soon as practicable after such notice has been given. Failure of the parties to agree on such proposed amendment shall not cause termination of this Agreement unless either party has given notice of termination as provided in Section 21.1.

21.3 Term - Wage Increases

All bargaining unit employees to receive a two point five percent (2.5%) wage increase effective April 1, 2012; a two point five percent (2.5%) wage increase effective April 1, 2013; a three percent (3.0%) wage increase effective April 1, 2014; and a three percent (3.0%) wage increase effective April 1, 2015.

The Company shall pay an employee designated by the Company to be in a lead position (MST Level 5 – any career stream) at a rate equivalent to 7.5% greater than the highest pay rate for an MST Level 4 (any career stream) as per Exhibit A. Future wage rate adjustments shall be made to maintain a difference of 7.5%.

21.4 Term - Written Notice of Amendments

Notwithstanding the provisions of Section 21.1, either party may give to the other 30 days' written notice of the proposed amendment of this Agreement in the event that an administrative or judicial tribunal

having jurisdiction to do so shall determine that the unit described in Section 1.1 hereof is inappropriate for the purpose of collective bargaining.

21.5 Term - Conflict of Law

Any provision of this Agreement which may be in conflict with Federal or State Law, regulation or executive order shall be suspended and inoperative to the extent of and for the duration of such conflict. In the event any provision of this Agreement is suspended or declared inoperative by reason of the operation of this Section, the parties shall meet to negotiate a substitute provision which will, as nearly as possible, reflect the intent of the suspended clause in a lawful manner.

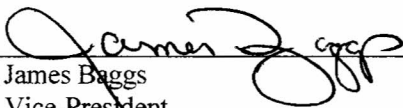
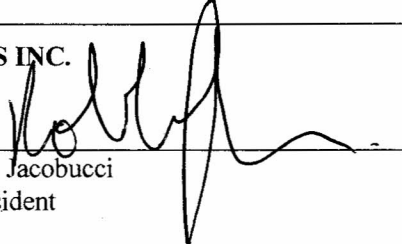
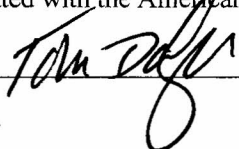
21.6 Breach of Obligation

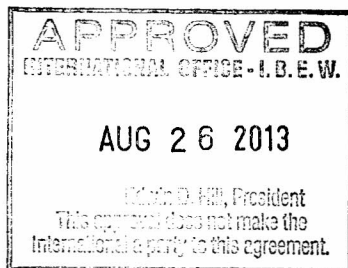
Notwithstanding the provisions of Section 21.1, either party may forthwith terminate this Agreement in the event that the other breaches its obligations as set forth in Sections 1.5 and 1.6. Notice of termination shall be given in accordance with the terms of the Labor Management Relations Act of 1947, as last amended.

21.7 Term - Agreement Term

This Agreement cancels and supersedes that certain Agreement entered into on August 1, 1962, for physical and December 8, 1988 for office and clerical by the Company and the Union.

IN WITNESS WHEREOF the parties hereto by their duly authorized representatives have caused these presents to be executed and made effective as of this first day of April, 2012.

TRANSCANADA USA SERVICES INC.	
 By: James Baggs Vice-President	 By: Robert C. Jacobucci Vice-President
LOCAL 1245, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (Affiliated with the American Federation of Labor-Congress of Industrial Organization)	
 Tom Dalzell Business Manager	



LOCAL 1245 NEGOTIATING COMMITTEE

Darryl Norris
Business Representative

Shawn O’Neill, Klamath Falls

Neil Isley, Wallula

Darin Perna, Wallula

Paul Weid, Klamath Falls

Dennis Seyfer, Senior Assistant Business Manager

TRANSCANADA USA SERVICES INC. NEGOTIATING COMMITTEE

Kelly Zwicker - Human Resources

Ivan Hamilton – Human Resources

John Plaster – Manager, BWR Northern Area

**EXHIBIT A
WAGE RATES**

APRIL 1, 2012 - MARCH 31, 2016

	April 1 2012 2.50%	April 1 2013 2.50%	April 1 2014 3.00%	April 1 2015 3.00%
<u>PHYSICAL POSITIONS</u>				
MULTI-SKILLED TECHNICIAN (PRIMARY STREAM - CONTROLS)				
Multi-Skilled Technician Level 5 ^{1,2}	\$41.37	\$42.41	\$43.69	\$45.00
Multi-Skilled Technician Level 4	\$38.48	\$39.45	\$40.64	\$41.86
Multi-Skilled Technician Level 3	\$34.64	\$35.51	\$36.58	\$37.68
Multi-Skilled Technician Level 2	\$30.80	\$31.57	\$32.52	\$33.50
MULTI-SKILLED TECHNICIAN (PRIMARY STREAM - MECHANICAL)				
Multi-Skilled Technician Level 5 (Welding) ^{1,2}	\$41.37	\$42.41	\$43.69	\$45.00
Multi-Skilled Technician Level 5 ^{1,2}	\$41.37	\$42.41	\$43.69	\$45.00
Multi-Skilled Technician Level 4 (Welding)	\$37.71	\$38.66	\$39.82	\$41.02
Multi-Skilled Technician Level 4	\$36.96	\$37.89	\$39.03	\$40.21
Multi-Skilled Technician Level 3	\$33.26	\$34.10	\$35.13	\$36.19
Multi-Skilled Technician Level 2	\$29.57	\$30.31	\$31.22	\$32.16
WAREHOUSE TECHNICIAN				
Warehouse Technician Level 2	\$30.51	\$31.28	\$32.22	\$33.19
Warehouse Technician Level 1	\$25.93	\$26.58	\$27.38	\$28.21
UTILITY WORKER				
Utility Worker Level 2	\$25.93	\$26.58	\$27.38	\$28.21
Utility Worker Level 1	\$22.06	\$22.62	\$23.30	\$24.00
TEMPORARY HELPER				
Start	\$16.51	\$16.93	\$17.44	\$17.97
End 6 Months	\$17.47	\$17.91	\$18.45	\$19.01
End 12 Months	\$18.73	\$19.20	\$19.78	\$20.38
DRAFTER				
Start	\$29.57	\$30.31	\$31.22	\$32.16
End 6 Months	\$30.11	\$30.87	\$31.80	\$32.76
End 12 Months	\$30.69	\$31.46	\$32.41	\$33.39
End 18 Months	\$31.28	\$32.07	\$33.04	\$34.04
End 24 Months	\$32.18	\$32.99	\$33.98	\$35.00
End 30 Months	\$32.77	\$33.59	\$34.60	\$35.64
End 36 Months	\$33.39	\$34.23	\$35.26	\$36.32

1 Level 5 is the "leadership" (i.e., lead) level subject to being filled per Section 18.7 of the CBA.

2 Level 5 to be 7.5% greater than the highest pay for a MST Level 4 in any career stream

ADMINISTRATIVE POSITIONS

CLERICAL LEVEL 1

Start	\$16.16	\$16.57	\$17.07	\$17.59
End 6 Months	\$17.17	\$17.60	\$18.13	\$18.68
End 12 Months	\$18.13	\$18.59	\$19.15	\$19.73
End 18 Months	\$19.11	\$19.59	\$20.18	\$20.79

CLERICAL LEVEL 2

Start	\$20.30	\$20.81	\$21.44	\$22.09
End 6 Months	\$21.28	\$21.82	\$22.48	\$23.16
End 12 Months	\$22.28	\$22.84	\$23.53	\$24.24
End 18 Months	\$23.19	\$23.77	\$24.49	\$25.23

CLERICAL LEVEL 3

Start	\$23.47	\$24.06	\$24.79	\$25.54
End 6 Months	\$24.47	\$25.09	\$25.85	\$26.63
End 12 Months	\$25.47	\$26.11	\$26.90	\$27.71

CLERICAL LEVEL 4

Start	\$26.65	\$27.32	\$28.14	\$28.99
End 6 Months	\$27.63	\$28.33	\$29.18	\$30.06
End 12 Months	\$28.64	\$29.36	\$30.25	\$31.16

CLERICAL LEVEL 5

Start	\$29.83	\$30.58	\$31.50	\$32.45
End 6 Months	\$30.81	\$31.59	\$32.54	\$33.52
End 12 Months	\$31.82	\$32.62	\$33.60	\$34.61

OVER TPL RATES

\$29.50	\$30.24	\$31.15	\$32.09
\$30.04	\$30.80	\$31.73	\$32.69
\$30.51	\$31.28	\$32.22	\$33.19
\$33.84	\$34.69	\$35.74	\$36.82

PHYSICAL LINES OF PROGRESSION

A. Multi-Skilled Technician (Primary Stream – Controls)

General Description

An employee who has (1) a high level of competency in the operation and maintenance of electronic and/or electrical Company equipment; and (2) an intermediate level of competency in mechanical skills.

Representative Duties

An employee who, without direct supervision, performs installation, testing, repair and maintenance on compressor station equipment, pipeline facilities, metering and regulating equipment, communication systems and other facilities appurtenant to the pipeline system. They perform routine and major maintenance on gas turbines packages, gas compressor units and associated auxiliary equipment. They are competent in rigging, interpreting technical reference documents and the use of precision measuring tools.

The Multi-Skilled Technician will also perform service and repair to mechanical measurement or control equipment such as meters regulators and valves. Their responsibilities will include power electricity, (including hazardous area equipment) process controls, programmable logic controllers (PLC), electric generation equipment, microwave multiplex equipment. Also, the Multi-Skilled Technician must be able to climb and work on the upper part of compressor buildings inside and outside.

The Multi-Skilled Technician will be required to work closely with others and perform additional duties as assigned. Some of these duties will include administrative, clerical, and warehousing activities of the district. They may perform these functions apart from the crew either alone or with multiple employees engaged in a related activity.

Background and Experience

Background and experience shall be such that the Multi-Skilled Technician is qualified to perform the assigned duties with skill and efficiency. Qualified candidates for the position will have a minimum of a two-year college electrical degree or equivalent electrical experience.

Qualifications must include a valid motor vehicle operator's license, clear driving record and the ability to work extended hours as required.

B. Multi-Skilled Technician (Primary Stream – Mechanical)

General Description

An employee who has (1) a high level of competency in mechanical skills; and (2) an intermediate level of competency in the operation and maintenance of electronic and/or electrical Company equipment.

Representative Duties

An employee who, without direct supervision, performs installation, testing, repair and maintenance on compressor station equipment, pipeline facilities, metering and regulating equipment, communication systems and other facilities appurtenant to the pipeline system. They perform routine and major maintenance on gas turbines packages, gas compressor units and associated auxiliary equipment. They are competent in rigging, interpreting technical reference documents and the use of precision measuring tools.

The Multi-Skilled Technician will also perform service and repair to mechanical measurement or control equipment such as meters regulators and valves. Their responsibilities will include power electricity, (including hazardous area equipment) process controls, programmable logic controllers (PLC), electric generation equipment, microwave multiplex equipment. Also, the Multi-Skilled Technician must be able to climb and work on the upper part of compressor buildings inside and outside.

The Multi-Skilled Technician will be required to work closely with others and perform additional duties as assigned. Some of these duties will include administrative, clerical, and warehousing activities of the district. They may perform these functions apart from the crew either alone or with multiple employees engaged in a related activity.

Background and Experience

Background and experience shall be such that the Multi-Skilled Technician is qualified to perform the assigned duties with skill and efficiency. Qualified candidates for the position will have a minimum of a two-year college mechanical degree or equivalent mechanical experience.

Qualifications must include a valid commercial driver's license (CDL), clear driving record and the ability to work extended hours as required.

C. Warehouse Technician

An employee whose responsibilities include the handling of construction and maintenance materials such as shipping, receiving, staging and recording the movement of parts, supplies materials, equipment and stock. In performing these duties the incumbent will be required to operate moderately heavy equipment such as a fork-lift and be proficient in hoisting and rigging principles/practices. He/she must also have a working knowledge of computer based procurement/warehouse systems.

Qualifications typically include a minimum of a high school diploma, one year post secondary diploma (Business Administration/Inventory Management), and 2 years of related experience. The Technician must also have a valid motor vehicle operator's license.

D. Utility Worker Job Definition

An employee who, under the general guidance of senior employees, performs routine work such as, but not necessarily limited to:

Measurement/Compression:

- a. Daily, weekly, monthly operator checks
 - i) Gathering running hours
 - ii) Checking oil levels
 - iii) Site condition monitoring
- b. Visual walk around/inspections
- c. Identifying items in need of repair and notifying appropriate individuals to perform the repair.

Pipeline:

- a. Line locates
- b. Servicing valves (i.e. adding oil)
- c. Installing signage
- d. Fencing repairs

The Utility Worker will be required perform additional duties as assigned such as routine administrative, clerical, janitorial, grounds keeping and warehousing activities.

The Utility Worker must have the qualifications, experience and ability to competently and efficiently perform the duties assigned. Qualifications must include a valid motor vehicle operator's license, clear driving record and the ability to work extended hours as required.

E. Drafter

An employee who, under supervision, assists engineers in preparing new design drawings based on design studies, sketches, computations or other data, updates existing drawings to reflect changes, visits worksites and Gas Transmission Northwest operating facilities to confirm completeness and accuracy of drawings, and may perform computing work involving a limited knowledge of engineering formulas.

The scope of drafting work covers, but is not limited to, all civil, mechanical and electrical drawings, design studies, sketches, new drawings, and as-built drawings.

The drafter must have a thorough knowledge of Computer Aided Design Drafting (CADD) and general knowledge of design drafting principles and practices. Thorough knowledge of piping and instrumentation diagrams, power transmission and distribution systems, electric power generation systems, construction materials and their use, and modern methods of construction or fabrication is also helpful.

The drafter must have an AA degree or equivalent in a related field, with two years of industrial experience.

F. Helper, Temporary

An employee whose main duties consist of semi-skilled work such as helping an employee of higher classification. This includes the use of hand or portable power tools, under direction, for cleaning purposes or other work not requiring precision.

Under indirect supervision they may also be required to perform miscellaneous work, such as janitorial and automotive lubrication and washing.

They must have a valid motor vehicle operator's license.

ADMINISTRATIVE LINES OF PROGRESSION

A. Sr. Administrative Clerk

An employee assigned to perform advanced clerical work requiring the use of independent judgment and independent analysis, as well as the knowledge of company policies and procedures and detailed knowledge of the particular department. Work performed may include composing and editing correspondence, coordinating and processing documents, maintaining complicated records, and preparing or compiling reports and special studies where analysis of complex technical data is required. The employee will coordinate procurement activities concerning contract preparation and processing of procurement documents, and may also act as lead person over administrative clerks, providing guidance and training within the department, while maintaining coordination of workflow, and will perform other support functions as assigned.

The Sr. Administrative Clerk must be able to type 55 wpm, have leadership qualities and the ability to operate routine office equipment, have advanced personal computer and software skills, intermediate math aptitude and an understanding of business processes and document control systems.

B. Administrative Clerk

An employee assigned to perform routine clerical duties requiring basic skills in typing, use of word processing, data entry, and document management recording and retrieval. Must possess a full range of business vocabulary and departmental procedures and practices. Duties include typing and word processing a wide variety of interpreted material, preparing reports and proofreading completed material where terminology and format follow well outlined procedures. The employee performs general clerical functions such as filing, record-keeping, document control, invoice processing and contacting vendors, and other support functions as assigned.

The Administrative Clerk must be able to type 45 wpm, have excellent interpersonal and grammar skills, understanding of document management systems, software skills and basic math aptitude. The position may require moderate physical lifting and moving of boxes and files up to 50 lbs.

C. Administrative Clerk (Mail/Utility)

An employee assigned to perform routine clerical duties requiring basic skills in the use of mail handling and distribution equipment and materials. Duties include sorting incoming mail for distribution both internally and externally, examining outgoing mail for appearance and sealing envelopes by hand or machine. The employee will be required to weigh and stamp outgoing mail by hand or with postage meter, perform miscellaneous duties associated with the

mailroom and operate electronic express mail equipment, and other support functions as assigned.

The Mail/Utility Clerk must be able to type 35 wpm and have good communication and organizational skills. The position may require moderate physical lifting and moving of boxes, furniture or office fixtures up to 50 lbs.

D. Secretary

An employee assigned to perform all phases of administrative work and is responsible for clerical and record keeping activities. Duties involve the use of technical terminology, drafting and editing correspondence, processing of procurement documents, maintenance of confidential records, and timekeeping, and other support functions as assigned. The employee screens incoming calls, arranges appointments and meetings, makes travel arrangements, and must exercise judgment in determining priorities and performing assignments.

The Secretary must be able to type 55 wpm, communicate clearly both verbally and in writing, possess knowledge of basic business processes, have knowledge of filing and retention systems, have advanced software and presentation skills and intermediate math aptitude.

E. Accounting Clerk

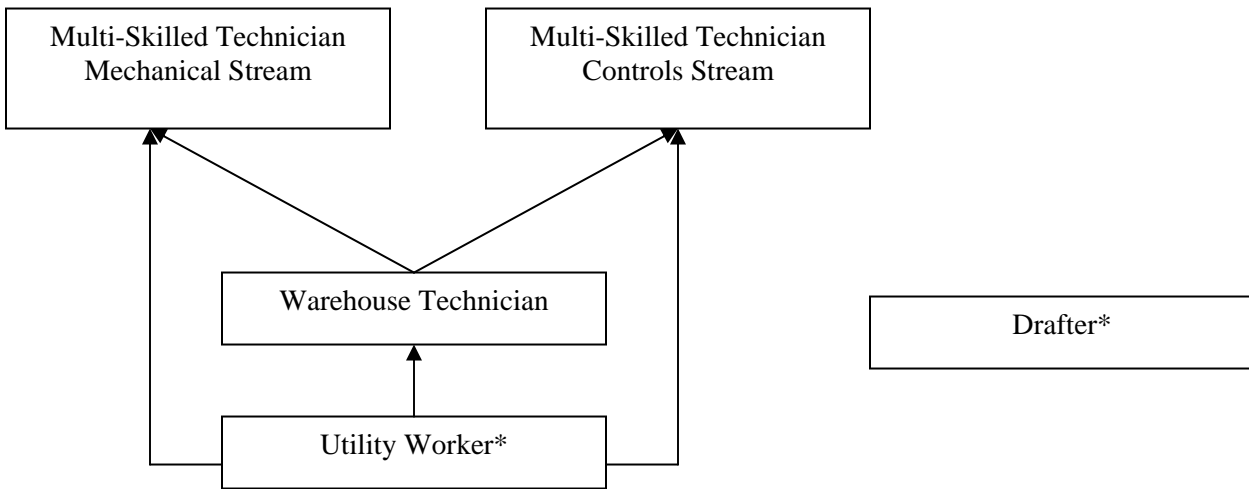
An employee assigned to perform routine clerical duties related to accounting. Duties include verifying ledger postings, adding, computing, matching, balancing, reconciling and summarizing standard accounting documents. The employee may be required to prepare statements, invoices, routine reports and verification of records in the function of accounts payable and receivable, and other support functions as assigned.

The Accounting Clerk must be able to perform routine mathematical calculations, have good communication skills, knowledge of company policies, and excellent organization and prioritization skills. The position requires the ability to operate routine office equipment, including a personal computer and applicable software.

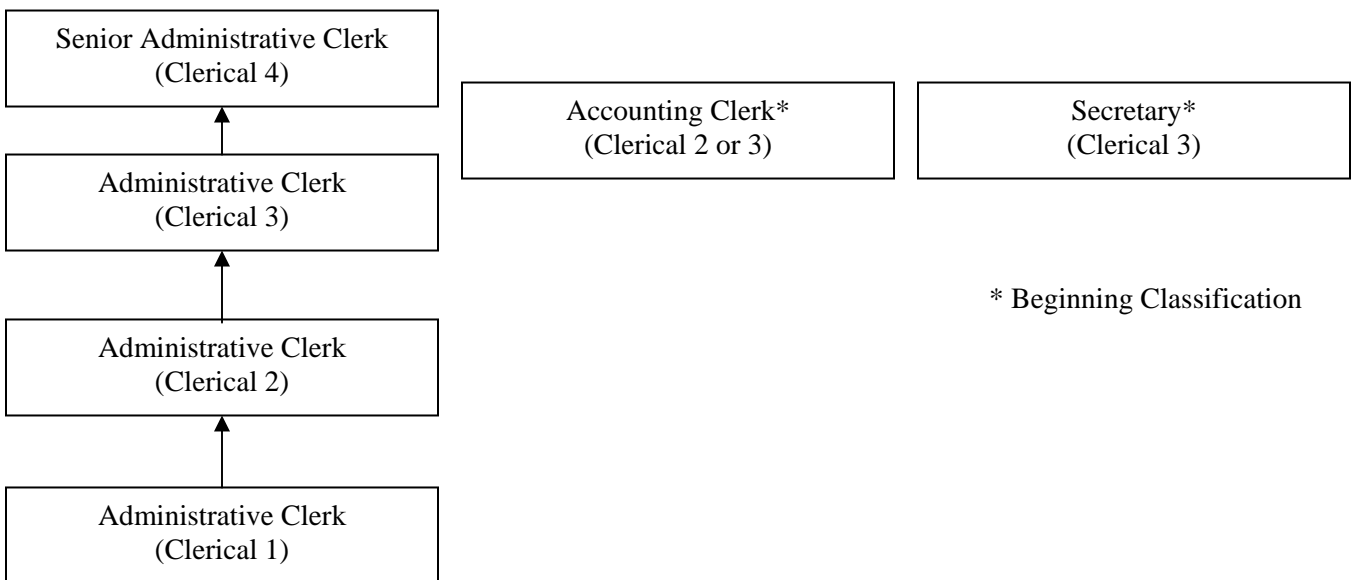
EXHIBIT C

LINES OF PROGRESSION

PHYSICAL



ADMINISTRATIVE



* Beginning Classification

EXHIBIT D

July 10, 1991

91-05-PGT

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

Dear Mr. McNally:

Exhibit E, Educational Assistance, of the Physical Agreement provides guidelines for reimbursing a portion of tuition to employees for courses taken that contribute to the employees' effectiveness on the job. Company believes that the scope and reimbursement limits may provide a barrier to employees who wish to seek outside development through educational coursework. Therefore, the company proposes to increase the reimbursement limits from the current \$2,200 to the IRS-allowed limit of \$5,250. Company also proposes allowing 100% reimbursement for PGT-related courses, and 25% reimbursement for other courses of interest to employees that are not directly related to current or future work.

These changes have been discussed with Sam Tamimi. Company believes that the changes briefly outlined above and delineated in the attached proposed revision to Exhibit C of the Physical Agreement better support development in line with employees' career and personal goals.

If you agree with the foregoing proposal, please indicate your approval in the space below and return one signed letter to me.

Sincerely,

By: /s/ Dan Robinson
Manager, Personnel and
Administrative Services

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

By: /s/ Jack McNally
July 22, 1991

EXHIBIT D
EDUCATIONAL ASSISTANCE

Amended 7/1/91

Effective July 1, 1991, the Tuition Reimbursement Policy shall be modified and made available to employees as follows:

Eligibility

- A. Any regular employee on the active payroll of the Company, except an employee in a temporary classification, is eligible to participate in the plan. Part-time employees shall receive pro-rated benefits.
- B. Courses taken at a Western College Association accredited college or university, through its regular program of instruction, its correspondence program, its extension division, or its evening division, or at a National Home Study Council accredited correspondence school or schools selected by the Company, are acceptable for refund.
- C. The employee must earn a grade of "C" (or equivalent) or better in each course to qualify for a tuition refund.
- D. An employee eligible for educational aid through Federal and State education programs or veteran's benefits is not eligible for refund from the Company for tuition fees for the same course of instruction.

Procedure

An employee who desires to receive such tuition refund shall, prior to their enrollment in a course of study, submit in writing through their supervisor to the Department Head for approval, details of the course for which the refund will be sought. The employee, at this time, must state that they are not eligible for educational aid through Federal or State educational programs or for veteran's educational benefits.

Employees should submit this request for approval at least 30 days prior to the enrollment date to allow ample time for processing.

Within 30 days after completion of the approved course, the employee shall submit the following in triplicate to their Department Head:

- A. Copies of their certificate of completion, with a grade of "C" (or equivalent) or better, in each course.
- B. Copies of their receipts indicating monies paid for the above courses.
- C. Other material as requested in the case of home-study courses.

Refunds

After successful completion of an approved course of study, a refund of 100% or 25% of the direct costs will be made. Direct costs apply only to registration fees, tuition, laboratory fees, exams fees, and cost of textbooks.

- A. Refunds will be made only for those approved courses begun on or after July 1, 1991.

- B. A refund of 100% for PG&E T-NW related courses shall be made, up to an annual limit of \$5,250 for Engineering, Computer Science, and business courses or degree programs.
- C. A refund of 25% for non-PG&E GT-NW related courses shall be made, up to an annual limit of \$3,000.
- D. Refunds will be made only for courses in which regular employees enrolled after completion of six months or more of continuous service and only when such employees are still employed by the Company on the completion date of the course.
- E. The maximum annual reimbursement limit is \$5,250 for any coursework or degree program.

LETTER OF AGREEMENT #1

BETWEEN

TRANSCANADA USA SERVICES INC. hereinafter referred to as the Company, and LOCAL UNION NO. 1245, of INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS (affiliated with the American Federation of Labor - Congress of Industrial Organizations), hereinafter referred to as the Union,

RE: Work Performed by Outside Contractors – Former Bargaining Unit Employees

The parties have mutually agreed to an arrangement as reflected in the following amendment to the terms of the collective bargaining agreement (“CBA”) to address the issue of former bargaining unit employees with regular status returning to provide services to the Company as non union contract workers.

The details are as follows:

1. When a regular bargaining unit employee is laid off because of a lack of work and the Company wishes to engage the former employee to perform bargaining unit work that is not permanent full-time work, the Company will re-hire the former employee as an intermittent employee under Title 5.6. The parties agree that any former employee hired back as an intermittent employee (“Intermittent Employee”) shall not retain regular status under Title 5.4. The following specific conditions shall apply to the Intermittent Employees:
 - a. The Intermittent Employee will be paid at the base wage rate for the work to be performed as defined in Exhibit A of the agreement.
 - b. In addition to the base wage rate, an Intermittent Employee will be paid at the applicable overtime rate for hours worked in excess of an assigned eight (8) hour or ten (10) hour shift or forty (40) hours per week.
 - c. In addition to the wage rate, the Intermittent Employee will also be paid twenty-five percent (25%) of his/her base wage rate in lieu of all other benefits (i.e. sick leave, vacation, holiday pay, pension, health benefits) with the exception of, where the employee had previously qualified to defer a portion of his/her pay with a Company match to a 401k plan, as provided for under the Company’s benefit plans, the Intermittent Employee will again be eligible to defer with the Company match so long as our 401k plan requires or allows for this continuation of eligibility.
 - d. As Intermittent Employees are not retaining regular status, Title 5.7 does not apply.
 - e. Intermittent Employees will not be entitled to participate in the TransCanada USA Services Inc. Retirement Plan.(the “DB Pension Plan”). They are not Qualified Employees pursuant to Article 3.01-2(a) of the DB Pension Plan.
 - f. An Intermittent Employee will only receive pay when the employee actually works.
 - g. Union dues will be deducted and paid at the rate of two percent (2%) of the Intermittent Employee’s base wage rate.

- h. These Intermittent Employees will be provided an initial term of no longer than one (1) year. At the end of the initial term, the assignments may be renewed at the sole discretion of the Company.
 - i. The hiring of an Intermittent Employee does not count as recall as specified in Title 5.4, and the Intermittent Employee's term of employment does not count towards extending the one (1) year time period provided for in Title 5.4.
 - j. Eligibility as an Intermittent Employee is forfeited when an individual:
 - i. declines an offer of work where the Intermittent Employee was provided at least twenty-four (24) hours notice of the work assignment;
 - ii. does not work for the Company for a period of one (1) year; OR
 - iii. after five (5) years of work as an Intermittent Employee
2. This agreement will settle all outstanding grievances provided by the Union to the Company relating to the Company's use of contractors. Specifically:
- a. IBEW 10-27-05 (Medford Lateral)
 - b. IBEW 11-08-05 (Drafting)
 - c. IBEW 01-31-06 (Snow Removal)
3. This agreement will expire and will have no effect as of March 31, 2008 (being the date that the CBA expires) unless the parties mutually agree to extend it except, if the term of the CBA is extended by the parties then the term of this agreement shall be extended to expire concurrently with the CBA.

IN WITNESS WHEREOF the parties hereto by their duly authorized representatives have caused these presents to be executed this day 9th of August, 2007

TRANSCANADA USA SERVICES INC.

LOCAL 1245, INTERNATIONAL
BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO (Affiliated with the
American Federation of Labor-Congress of
Industrial Organization)

James Baggs
Vice-President

Tom Dalzell
Business Manager

Robert C. Jacobucci
Vice-President