

Reid Agreement *KROSS*

7/31/04

between

**The Cincinnati Gas & Electric
Company
The Union Light, Heat and Power
Company**

*1500
workers*



**Local Union 1347
International Brotherhood of
Electrical Workers**

**Affiliated with
AFL-CIO**

2000 - 2006

Printed by:
The Independent Utilities Union

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MEMORANDUM OF AGREEMENT

This Agreement made and entered into by and between The Cincinnati Gas & Electric Company and its Affiliate, The Union Light, Heat and Power Company, hereinafter referred to as the "Company", wholly owned subsidiaries of Cinergy Corp., and Local Union 1347 of The International Brotherhood of Electrical Workers, AFL-CIO, referred to hereinafter as the "Union".

The Company and the Union recognize that in order for the parties to meet the challenge of competition, the need for long term prosperity and growth, and establish employment security, each must be committed to a cooperative labor management relationship that extends from the bargaining unit members to the executive employees. The Company and the Union agree that employees at all levels of the Company must be involved in the decision making process and provide their input, commitment, and cooperation to improving productivity and helping Cinergy become the lowest cost producer and highest quality provider of energy service.

Employee Representative Team Mission Statement

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Cincinnati Gas and Electric Company a participative effort to oversee relationships between Union and Management personnel.
- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.
- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

ARTICLE I
SECTION 1

For the purpose of facilitating the peaceful adjustment of differences that may arise from time to time and to promote harmony and efficiency to the end that the Company, the Union and the general public may mutually benefit, the parties hereto contract and agree with each other as follows:

ARTICLE I

Section 1. (a) The Company recognizes the Union, during the term of this Agreement, as the sole and exclusive representative of the employees in the bargaining unit defined as "The Electrical Workers Unit" by the National Labor Relations Board in its Decision and Direction of Election dated August 12, 1944, for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment.

(b) All new employees shall be classified as probationary employees for a period of one (1) year. Employees with six months or more of continuous service are eligible to receive supplemental industrial accident compensation, supplemental jury duty pay and will be entitled to bidding rights to other job classifications. Further, probationary employees shall have no recourse to the grievance procedure as set forth

**ARTICLE I
SECTION 1**

in Article II, Section 1 for the first six (6) months of the probationary period. However, after serving six (6) months of the probationary period, probationary employees will have recourse to the grievance procedure for any non-discipline related grievances.

Section 2. (a) This Agreement and the provisions thereof shall take effect on February 3, 2000 and shall be binding on the respective parties hereto until April 1, 2006 and from year to year thereafter unless changed by the parties.

(b) Either of the parties hereto desiring to change any section or sections of this Agreement and/or to terminate this Agreement shall notify the other party in writing of that intention at least sixty (60) days prior to April 1, 2006 or any subsequent anniversary date. If neither party gives such notice the Agreement shall continue from year to year. If such notice is given by either party the Agreement shall be open for consideration of the change or changes desired. Within fifteen (15) days from the date the first notice of intention to change is given by either party to the other, but not later than thirty (30) days prior to April 1, 2006 conferences shall commence for the purpose of considering the proposed changes. At the first such conference each party will submit its proposed changes, in writing, to the other party.

**ARTICLE I
SECTION 2**

(c) In case of failure to reach an agreement on the changes desired by either or both parties, within a period of thirty (30) days following commencement of conferences, but in no event later than the renewal date of this Agreement, the changes shall be referred to arbitration as provided for in Article II, Section 2 hereof. Either party desiring to avail itself of arbitration in this case shall notify the other party in writing of its desire to arbitrate and at the same time name its arbitrator. The parties mutually agree that there shall be no strikes, work stoppages, slowdowns or lockouts pending the decision of the arbitrators. The provisions of this paragraph shall not apply in the event either party gives written notice to the other party at least sixty (60) days prior to April 1, 2006, of its desire to terminate the Agreement on April 1, 2006, if there remains at that time issues which the parties are unable to resolve.

(d) In the event agreement is reached on or before March 31, the 2000 - 2006 Agreement will be extended for a mutually agreed number of calendar days. The Union shall have one-half of the mutually agreed number of calendar days immediately following the date an agreement is reached in which to submit the Agreement to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the mutually agreed

ARTICLE I
SECTION 2

number of calendar days as notice before a strike or work stoppage commences. Providing the mutually satisfactory Agreement is ratified by the membership within the first one-half of the mutually agreed number of days following the date an agreement is reached, such Agreement will be made retroactive to the 31st day of March.

(e) It is agreed that this Agreement may be amended or added to at any time by written consent of both parties hereto.

Section 3. The Union agrees not to admit to membership or permit to retain membership for collective bargaining purposes any foreman or supervisory employee of the Company who is not employed in a classification within the unit now represented by the Union.

Section 4. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Agreement pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon and in consideration thereof, as long as this Agreement and conditions herein be kept and performed by the Company, the Union agrees that under no conditions and in no event, whatsoever, will the employees covered by this Agreement, or any of them, be called

ARTICLE I
SECTION 4

upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Agreement. The Company agrees on its part to do nothing to provoke interruptions of or prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property and that any difference that may arise between the above-mentioned parties shall be settled in the manner herein provided.

(b) The Company agrees that it will not attempt to hold Local Union 1347 of the International Brotherhood of Electrical Workers, financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Agreement now in effect.

**ARTICLE I
SECTION 5**

Section 5. (a) This Agreement covers all work done for the Company, including work performed by Cinergy Services, Inc., by the employees of the occupational classifications in the unit defined as "The Electrical Workers Unit" by the National Labor Relations Board Order dated August 12, 1944, which is covered by this Agreement. The unit so defined shall retain jurisdiction over such work as was normally performed by it prior to March 31, 1945, but such jurisdiction shall not be expanded except by mutual agreement of the parties hereto or through due process under the National Labor Relations Act.

Employees other than those covered by this Agreement shall continue to perform work normally performed by them prior to March 31, 1945, except where mutually agreed upon in specific instances as itemized in Departmental Rules of this Agreement.

(b) Except in case of emergency, work regularly done by employees in a classification shall be restricted to such work as is normally assigned to that classification, or work of a basically similar nature.

(c) Foremen's duties shall be restricted to direct supervision except in cases of emergency, for such incidental work as may

ARTICLE I
SECTION 5

occasionally be required or as may be otherwise outlined in the Departmental Work Rules.

Section 6. The Company and the Union agree to meet and deal with each other through their duly accredited representatives on matters relating to hours, wages and other conditions of employment of the employees of the Company covered by this Agreement.

Section 7. Respecting the subject of "Union Security," the parties mutually agree as follows:

(a) All regular employees of the Company as of the ratification of this Agreement, who are not members of the Union shall not be required as a condition of their continued employment to join the Union. However, after April 1, 2000, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, and who are not more than six months in the arrears with dues, or who may become members of the Union, shall be required as a condition of their continued employment to maintain their membership in the Union in good standing, subject to the annual ten day escape period hereinafter described.

ARTICLE I
SECTION 7

(b) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any of the employees of the Company to join or become members of the Union, nor will said Union or any of its officers or members unfairly deprive any employee within the bargaining unit represented by the Union of union membership or of any opportunity to obtain union membership if said employee so desires. In this connection the Company agrees that it will not discriminate against any employee on account of activities or decisions in connection with the Union except as the same may become necessary on the part of the Company to carry out its obligations to the Union under this Agreement.

(c) If a dispute arises as to the actual union status of any employee at any time as to whether or not the employee has been unfairly deprived of or denied union membership, the dispute shall be subject to arbitration, in accordance with the arbitration provisions of Article II, Section 2 of this Agreement.

(d) Within thirty-one (31) days after July 1, 1967, or after the date of hire whichever is later, all employees who are not members of the Union, except those employees mentioned in subsection (i) of this section, shall be required as a condition of continued employment to pay to the Union each month a service charge as a

ARTICLE I
SECTION 7

contribution toward the administration of this Agreement in an amount equal to the monthly dues uniformly required by the Union Members. Such contributions shall be checked off upon proper written authority executed by the employee and remitted to the Union in the same manner as the dues of members.

(e) The Company agrees to dismiss any employee at the written request of the Union for non-payment of union dues or service charges or to discipline employees represented by the Union in the manner herein provided for violation of this Agreement, if requested to do so in writing by the Union. Nothing in this clause, however, shall be construed so as to require the Company to dismiss or discipline any employee in violation of any state or federal law.

(f) The Union agrees that any present or future employee who is now or may become a member of the Union may withdraw from membership in the Union between September 21st and September 30 inclusive of each year, beginning with September 21, 2000, by giving notice by registered or certified mail to the Employee Relations and Safety Department of this Company. After such withdrawal an employee shall not be required to rejoin the Union as a condition of continued employment.

ARTICLE I
SECTION 7

(g) The Company agrees that after proper individual authorizations by means of written individual assignments in a form mutually agreeable to both parties to deduct Union dues and service charges, and the original initiation fee from members' pay. This deduction shall be made once each month and shall be forwarded within seven calendar days to the authorized agent of the Union.

(h) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by a group of employees in the bargaining unit represented by the Union this section of the contract is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company may, upon the presentation of proof satisfactory to the Company, within ten days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the contract, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of

**ARTICLE I
SECTION 7**

the contract, this contract is to be considered a severable contract. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the contract remain in full force and effect as therein provided. The Company agrees that it will not deliberately arrange or incite such interference to the work or operations of the Company as are referred to in this section.

(i) The Company agrees that after February 3, 2000, and as long as this section of the contract shall remain in full force and effect, that all persons, before they are employed as regular employees in any classification within the unit represented by the Union, shall be required to signify in writing their voluntary willingness and intention to join the Union not later than thirty-one (31) days after their employment by the Company.

Section 8. There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee because of membership or non-membership in the Union, because of lawful activities on behalf of the Union, or because of race, color, religion, sex or national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the female

ARTICLE I
SECTION 8

gender wherever they appear throughout the Agreement.

Section 9. (a) Except where expressly abridged by a specific provision of this Agreement, the Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of men it will employ or retain in each classification, and the right to hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company.

(b) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this Agreement.

(c) The Company may adopt or revise any work methods and procedures which are not in direct conflict with the provisions of this Agreement. The Company will notify the Union, in writing, of any new or revised Company work methods and procedures. Such new or revised

**ARTICLE I
SECTION 9**

Company work methods and procedures shall not be effective until such notice is given.

(d) The foregoing three paragraphs do not alter the employee's right of adjusting grievances as provided for in Article II, Section 1 of this Agreement.

(e) In order to avoid possible grievances, the Company will discuss in advance with the representatives of the Union, promotions, demotions, layoffs, transfers and rehiring of employees in all classifications governed by this Agreement, except in instances where the employee with the greatest length of classified seniority is selected for promotion, or the employee with the least classified seniority is selected for demotion or layoff. The Company agrees that the Department Management will notify in writing in advance or as promptly as possible the Master Steward or Business Manager of the Union of promotions, demotions or transfers of employees covered by this Agreement.

(f) Except as herein provided, promotions, demotions, transfers or layoffs of employees covered by this Agreement made by the Company without discussion in advance with the Union representatives will not be considered permanent, until so discussed.

ARTICLE I
SECTION 10

Section 10. A copy of any letter constituting disciplinary action by the Company against any employee covered by this Agreement shall be furnished to the employee and the Union. In case of a grievance resulting from such a warning letter see Article II, Section 1.

Section 11. In making promotions to any job outside the bargaining unit first consideration shall be given by the Company to employees with seniority and ability. The definition of the qualifications required for such a job and the determination as to whether any individual is qualified for the job is solely the responsibility of the Company.

Section 12. Employees shall not be required to cross a picket line except to perform work which is necessary to provide the normal services of the Company. A supervisor shall make the necessary arrangements with the picketing Union involved for the employee to cross the picket line.

ARTICLE II

Section 1. GRIEVANCE PROCEDURE (a) Realizing the importance of avoiding delays in rendering decisions regarding grievances, the following procedure shall be followed. If after consultation of an employee covered by this

ARTICLE II
SECTION 1

Agreement with his immediate supervisor the employee still feels that he has a grievance arising out of this Agreement, the avenue of adjustment for such grievances shall be as follows:

First - Between the employee, the officially designated steward and the foreman or supervisor involved.

Second - Between the Steward or Business Manager and the District or Departmental Section Management.

Third - Between the Business Manager and, if necessary, a small committee representing the Union; and the Department Manager or another designated representative of the Department.

Fourth - Between the Business Manager and if necessary the officers of the Local Union and the officers of the Company or a designated representative of the Company.

(b) The procedure outlined in this section may be altered at the request of the Union in a discharge case by filing the grievance in writing initially at the third step of the grievance procedure.

ARTICLE II
SECTION 1

(c) Employees engaged in the above grievance procedure during their working hours shall not suffer a loss of pay for such time.

(d) If a satisfactory settlement cannot be reached before the third phase of the procedure outlined above, the grievance shall be reduced to writing, in triplicate, by representatives of the Union.

(e) The aggrieved party shall have thirty (30) days after the postmarked date of the written decision of the fourth step grievance meeting to request arbitration as provided for in Section 2 of Article II of the Agreement. Failure to refer, in writing, the grievance to the arbitration procedure within the specified thirty (30) days' time limit will constitute settlement of the grievance.

Section 2. ARBITRATION PROCEDURE

(a) Should a mutually agreeable settlement of a difference arising out of this Agreement between the Company and the Union be impossible and either party desires to submit such a question to arbitration, that party shall notify the other party, in writing, of the questions to be arbitrated and shall also name their arbitrator within fifteen (15) days of the failure of both parties to agree. The other party shall name its arbitrator within ten (10) days after receiving such notice of the desire of the

ARTICLE II
SECTION 2

other party to arbitrate. The two arbitrators shall meet within ten (10) days after their appointment in an attempt to settle the questions referred to them and if they fail to reach a settlement then the two arbitrators selected by the parties shall try to agree on the third and neutral arbitrator. If no agreement can be reached within five (5) days on the selection of the third arbitrator the parties shall jointly request a list of seven (7) names of persons eligible to act as a third arbitrator from either the Director of the Federal Mediation and Conciliation Service or the local Regional Director of the American Arbitration Association. If the agency to be used cannot be mutually agreed to, the selection shall be by the flip of a coin. In the event of the failure of the two arbitrators to select the third arbitrator from said list of eligible persons, the two arbitrators shall jointly apply to the selected agency for an additional list of seven (7) names of persons eligible to act as a third arbitrator. In the event of the failure of the two arbitrators to select the third arbitrator from the second list of eligible persons, the two arbitrators, beginning with the arbitrator as determined by the flip of a coin, shall cross off names in turn until only one remains, whereupon the remaining name shall be acceptable to both parties as the neutral arbitrator and Chairman of the Arbitration Board.

ARTICLE II
SECTION 2

(b) Matters referred to the three-man arbitration board shall be settled by the board with reasonable dispatch and decisions rendered by the board shall be final and binding on the parties hereto. The three-man arbitration board shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement. It is also mutually agreed that there shall be no work stoppage or lockouts pending the decisions of the arbitrator or subsequent thereto.

(c) In the case of arbitration each party shall bear the expense of its own arbitrator. The neutral arbitrator's and other joint expenses mutually agreed upon shall be born equally by both parties.

ARTICLE III

Section 1. System Service shall date from the time an employee first earns compensation in the employ of the Company, except as such continuous service record may be lost in accordance with Item (h), Section 5 of Article III of this Agreement.

Section 2. Division Seniority shall be the total seniority accumulated in a specific division.

ARTICLE III
SECTION 3

Section 3. Classified Seniority shall date from the time an employee is employed in a specific classification.

Section 4. For the purpose of this Agreement the Divisions of the Company shall be considered as follows:

- | | |
|--|--------------------|
| (1) East Bend Station - | Energy Commodities |
| (2) Miami Fort Station - | Energy Commodities |
| (3) Walter C. Beckjord Station - | Energy Commodities |
| (4) Wm. H. Zimmer Station - | Energy Commodities |
| (5) Woodsdale Station -
(including the Dicks Creek Station) | Energy Commodities |
| (6) Operators - | Energy Delivery |
| (7) Substation - | Energy Delivery |
| (8) Electric Test - | Energy Delivery |
| (9) Electric Trouble - | Energy Delivery |
| (10) Electric Meter - | Energy Delivery |

**ARTICLE III
SECTION 4**

- (11) Overhead Transmission and - Energy Delivery
Distribution, Construction**
- (12) Underground Cable and - Energy Delivery
Equipment**
- (13) Service Division - Energy Delivery**
- (14) Inventory Services - Energy Delivery**
- (15) Power Plant Stores - Energy Commodities**
- (16) Transportation Services - Energy Delivery**

Section 5. (a) Company System Service shall be used to determine the amount of vacation an employee is eligible to receive.

(b) There shall be no transfer of classified seniority rights for Power Operations' employees between the East Bend Station, the Miami Fort Station, the Walter C. Beckjord Station, the Wm. H. Zimmer Station and the Woodsdale Station.

(c) The Company shall maintain an up-to-date seniority list of all employees in each Division. Such list shall show System Service and Classified Seniority of each employee and shall be posted in a place or places accessible to all employees in such Divisions. If exception is not taken to the list as posted within thirty (30)

ARTICLE III
SECTION 5

days from the date of posting the list shall be considered as correct and no change will be made thereafter except by mutual agreement between the Company and the Union. Copies of these lists shall be forwarded to the Union.

(d) An employee entering military service shall continue to accumulate full system service and full seniority for the time specified by applicable laws provided that he returns with a certificate of satisfactory completion of his active service and applies for work within the time specified by said laws after his release from active duty.

When a regular employee returns from military service, as defined in the previous paragraph of this section, he shall be given an opportunity and reasonable assistance to qualify for any job to which he would have progressed in the promotional sequence in which he was employed at the time of his entry into military service; and he will be promoted to that classification at the time he becomes qualified and provided he bids every opening in his promotional sequence at the time he becomes qualified after he returns from military service. His classified seniority shall then be adjusted.

(e) Leave of absence may be granted, if requested in writing, to an employee with the written consent of the Company. Employees on

**ARTICLE III
SECTION 5**

leave of absence for Military Service, illness, injury, or Union business shall accumulate system service and seniority. Employees on leave of absence granted for any other reason shall not accumulate system service or seniority but system service and seniority already accumulated shall not be forfeited. Where a leave of absence is granted to any employee covered by this Agreement, the Company shall notify the Union in writing without delay.

(f) Any member or members not to exceed three (3) members elected or employed by Local 1347 of the Union whose duties for the Local require their full time shall be granted a leave of absence by the Company for six (6) months and additional six (6) months' periods thereafter providing that each member is from a different promotional sequence or that the Company has granted permission for two (2) members to be from the same promotional sequence. On return to the employ of the Company such employees shall be employed at their previous classification or other higher classification within this unit for which they may be qualified.

Employees on leave of absence who are employed full time by the Local Union shall be eligible to participate, at no cost to the Company, in the Medical Insurance programs and the Group Life Insurance program.

ARTICLE III
SECTION 5

(g) An employee losing time due to illness or injury shall be entitled, upon recovery, if physically and mentally qualified, to the position held prior to such accident or illness.

(h) Employees will lose their system service and seniority who:

- (1) Quit of their own accord. If such employees should return to work with the Company on a full-time basis, those employees will recoup their system service seniority previously held before leaving the Company.
- (2) Is discharged for cause.
- (3) Fails to report their availability for work within three (3) scheduled working days, fails to report for work within seven (7) days after being recalled from layoff or fails to make other arrangements satisfactory to the Company within the first three (3) scheduled working days after notification.

Section 6. (a) In making promotions within the bargaining unit classified seniority, ability and qualifications shall be taken into

**ARTICLE III
SECTION 6**

consideration. Ability and qualifications being sufficient seniority shall prevail. If any employee is promoted to a supervisory job outside the bargaining unit, he shall retain, for a period of one year, all classified seniority accumulated up to the date of his promotion. Such seniority may be exercised, through the established bidding procedures, within the bargaining unit, should such job be jeopardized because of lack of work or any other reason except for dismissal for cause. If an employee, who was a supervisor for more than one year, returns to the bargaining unit, he will receive a classified seniority date behind all incumbent employees in the job classification from which he originally promoted. No supervisor may return to a bargaining unit job classification, if it would result in the layoff or prevent the recall from layoff, of an employee represented by the Union.

(b) In the event of a layoff or work force reduction, layoffs, demotions, and transfers shall be made on the basis of classified seniority within a promotional sequence in a department. An employee shall have the right to be returned to any starting level job classification previously held by him in the course of his employment with the Company if his seniority is sufficient to qualify him for such job and an opening or job vacancy exists. An employee does not recoup any classified seniority in those job

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SECTION 6

classifications higher than the one to which he is assigned, despite the fact he may have previously worked in the higher job classifications, until he is permanently promoted to the higher job classification through the established posting procedure. For purposes of this paragraph, if an employee has not worked in a lower classification in his promotional sequence, he will be credited with classified seniority in each such lower job classification for all time worked in a job classification at the same or higher wage level within his promotional sequence. An employee, however, shall not have the right to be demoted or transferred to any classification in another promotional sequence which he has not previously held, except as provided in Article III, Section 7(f). Under no circumstances will an employee be permitted to arbitrarily select a job where no vacancy or job opening exists.

(c) Except for temporary or probationary employees, the Company shall give a two (2) weeks' advance notice to the Union of any general reduction in forces.

(d) When increasing forces the Company agrees to recall employees previously laid off for lack of work. When recalling occurs it shall be done on the basis of classified seniority and no new employee shall be hired in that promotional sequence until all regular employees in that

**ARTICLE III
SECTION 6**

promotional sequence who have been laid off within three (3) years have been recalled or rehired, provided that such former regular employees are available for work and are qualified to perform the job. Such former employees shall make satisfactory arrangements for reporting to work in accordance with Article III, Section 5(h) (3) after notification through the United States Mail, or by telegraph, addressed to the address last given to the Company by the employee. A copy of such notice shall be given to the Business Manager at the time the notice is sent to the employee. Failure of the employee so notified to report to work or to supply a reason satisfactory to the Company for not doing so, within the time limit herein, shall be considered a waiver of re-employment rights by the employee. Employees who are on a layoff status from the Company shall be considered for hire, before other applicants, on the basis of system service, into job classifications for which they do not have a recall right for a period of three (3) years.

(e) Should time constituting seniority of any two or more employees be equal, the respective seniority of such employees shall be determined by lot by the Union and the Company notified in writing by the Union.

**ARTICLE III
SECTION 7**

Section 7. (a) When an opening in a job classification covered by this Agreement is to be filled, a notice shall be posted by the Company on all bulletin boards in the appropriate Division(s). A copy of such notice shall be mailed to the Business Manager of the Union. This notice shall be posted two weeks before the opening is permanently filled. This period of posting may be reduced to seven (7) days provided that any employees with greater seniority who may be off duty during the entire seven (7) day posting period are notified of the posting by a copy of the posting notice mailed, by registered or certified mail, to their home address on record with the Company. Where a notice is posted as provided above and the opening has not been filled sixty (60) days after the closing date of the posting, it shall be invalid and a new posting made before the opening is permanently filled. This shall not preclude the management from filling the opening by assignment if no qualified bids are received on the first posting of the opening. This procedure may be modified in departmental rules where mutually agreed upon.

(b) Subject to the approval of the Company and the Union any employee may waive his right to promotion or temporary advancement either within or outside the bargaining unit if such waiver does not prevent other employees from acquiring experience in

**ARTICLE III
SECTION 7**

the job held by him. Such waiver must be submitted to the Company and the Union in writing at least seven (7) days in advance. A request for withdrawal of such a waiver must be submitted in writing.

(c) When an employee waives his right to a position, the next employee shall be entitled to such position, on a seniority and sufficient qualification basis, and so on until the position is filled.

(d) An employee waiving his right under this provision cannot later claim that particular job as a seniority right; however, the employee making such waiver shall not prejudice his right to accept future vacancies or positions that may occur, on a basis of his classified seniority and qualifications.

(e) An employee permanently established in a classification under the provisions of this section of the Agreement shall not be replaced later by an employee who may have developed sufficient seniority or qualifications.

(f) Any employee who may make application to the Employment Office for transfer to a starting job for which he may be qualified will be given preference for consideration before a new employee is hired for the job. Anyone transferring as provided herein

ARTICLE III
SECTION 7

shall not receive a reduction in rate unless his rate of pay exceeds the maximum rate of the job to which he is transferred. In such case his rate shall be reduced to the maximum rate of that job. For the first six (6) months after an employee transfers as provided herein, he may be discharged without recourse to the grievance procedure of this Agreement.

(g) When an opening occurs in a job classification, employees already in that job classification within the Division may exercise their seniority rights to cross bid for the particular opening. The employee already in the job classification within the Division who cross bids and who can qualify will be selected; however, only one cross bid will be allowed. When an opening has been filled in accordance with the procedure outlined above, the resultant openings will be filled by promotion of employees from the next lower job classification in the particular promotional sequence in accordance with the provisions of this Agreement. An employee shall not have the right to bid on a demotion but may request in writing consideration for a demotion.

The procedure outlined above is not applicable to those Divisions where the multiple posting system is in use. In the Divisions where multiple posting is used, the employees are permitted to submit their applications for

**ARTICLE III
SECTION 7**

promotion or cross bid in advance of an opening. An employee shall not have the right to bid on a demotion but may request in writing consideration for a demotion. When openings occur, they will be posted on the bulletin boards at the various headquarters within the appropriate Division(s). In the Divisions where multiple posting is used and job openings exist cross bids will be permitted at each job classification level before promotions are made and until the posting is completed.

This Section of the Agreement shall not be interpreted in such a way as to enable employees to utilize seniority in the selection of a particular shift, working crew or job assignment, but supervisors may make such assignments on the basis of an employee's request with consideration to the requirements of the job to be filled and the seniority of the employee.

(h) All new employees and all employees transferring from other bargaining units into a job classification represented by the Union shall be classified as probationary employees for a period of one (1) year and shall have no system service and seniority rights during that period. After one (1) year continuous service as a probationary employee, such employees shall be classified as regular employees and their system service and

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SECTION 7**

seniority record shall include their previous employment as probationary employees and any other previous employment to which they are entitled. The Company shall have the right to lay off or discharge probationary employees for cause and there shall be no responsibility for re-employment of such employees after they are discharged or laid off during the probationary period.

(i) Employees hired for a specific temporary project of limited duration shall be classed as temporary employees and shall not acquire system service or seniority rights. The Union shall be notified in writing of the hiring of such employees and of the project and probable duration for which they are employed. The Union shall be notified in writing of any change in the employment status of such employees.

Section 8. An employee, when permanently assigned to a job classification and qualifying in all respects with the exception of time spent in the preceding classification as required in the qualification section of the job description, shall be considered as having the equivalent of such required time.

ARTICLE IV

Section 1. VACATIONS. (a) Vacations for hourly rated employees will be granted with

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SECTION 1

pay during the calendar year in which they complete the specified number of years of service on the following basis:

(1) Employees with less than one (1) year of service with the Company shall be entitled to one (1) day of vacation for each month worked, with a maximum of ten (10) days total.

(2) Employees with one (1) year of service with the Company shall be entitled to a vacation of two (2) weeks.

(3) Employees with seven (7) or more years of service with the Company shall be entitled to a vacation of three (3) weeks.

(4) Employees with fifteen (15) or more years of service with the Company shall be entitled to a four (4) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fourth week.

(5) Employees with twenty-one (21) or more years of service with the Company shall be entitled to a five (5) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the fifth week.

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SECTION 1

(6) Employees with thirty-four (34) or more years of service with the Company shall be entitled to a six (6) week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the sixth week.

(b) The normal vacation period shall be from Memorial Day to September 30, inclusive. An employee who is eligible for more than a two (2) week vacation may be required to take the vacation in excess of two (2) weeks outside the normal vacation period.

(c) Retiring employees will receive one-twelfth (1/12) of their vacation allotment for each month they are on the payroll in the year in which they retire.

The estate of an employee who dies will be paid one-twelfth (1/12) of the vacation he would have received in the following calendar year, up to the beginning of the month of his death, for each month in which he receives compensation, other than Short and Long Term Disability pay, for at least one-half of the regularly scheduled working days in the month.

(d) In order for an employee to qualify for a vacation, the employee must have been on the Company payroll as a full-time regular or probationary employee on the last day in the

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SECTION 1

calendar year previous to the vacation, and must have been available whenever necessary for the Company medical examinations and reports.

(e) Every effort will be made to grant vacation at a time suitable to the employee, but should the number leaving on vacation in any one period handicap the operations of the Company, the Company reserves the right to limit the number receiving vacations. Preference for vacations shall be granted within a classification at a headquarters on a system service basis within the bargaining unit.

Vacations must be selected for full weeks. However, an employee entitled to two or more weeks of vacation in a calendar year may arrange to take five days of that vacation in one-day increments. Requests for these days must be made at least seven calendar days prior to the date requested and must be approved by supervision. However, because of extenuating circumstances, a day off with less than a seven calendar day notification may be approved by an employee's supervisor. An employee entitled to five or more weeks of vacation in a calendar year may arrange to take ten days of that vacation in one-day increments. However, because of extenuating circumstances a day off may be taken with less than the seven calendar day notification with approval by supervision.

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Requests for at least five of these ten days must be made seven or more calendar days prior to the date requested and must be approved by supervision. The Company reserves the right to limit the number of employees who can be off on a specific day and may, but cannot be required to, grant a one day increment on a work day preceding or following a holiday or other vacation. Such one-day increments must be utilized before an employee's scheduled vacation in a particular year is exhausted.

(f) Any employee leaving the Company's service shall receive all vacation pay he has earned in accordance with Article IV, Section 1.

(g) Time lost because of a leave of absence due to injury or illness shall not be considered as a break in continuous service, providing the employee is available whenever necessary for the Company medical examinations and reports during the leave of absence. Vacation will be granted in accordance with Article IV, Section 1(d).

(h) Employees returning from military service in a subsequent calendar year will receive current year vacations as follows:

ARTICLE IV
SECTION 1

Month in which employee returns to Company Employment	Amount of vacation based on system seniority of employee
Up to and including June	Full
July, August, September	One-Half
After September	None

(i) When a holiday falls within an employee's vacation such employee shall receive either eight (8) hours additional pay to compensate for the loss of such holiday or one additional vacation day shall be allowed immediately before or immediately after the vacation period at the discretion of the Company.

An employee leaving the Company, except due to retirement, will not receive holiday pay for a holiday which occurs after the employee's last day worked.

An employee leaving the Company due to retirement and drawing vacation pay will receive eight (8) hours straight time holiday pay in addition to regular vacation pay when a holiday falls within the vacation pay period.

(j) An employee required by the Company to work during his normal vacation

ARTICLE IV
SECTION 1

period shall be paid at his regular rate for all such time worked as provided in this Agreement and in addition shall receive such pay as he would normally have received for the vacation period.

The Company will not require an employee to work during his scheduled vacation period unless the absence of such employee would jeopardize the maintenance of continuous service by the Company. The Company agrees to notify the Union in writing of each instance where an employee is required to work during his scheduled vacation, outlining the nature of the emergency requiring such action.

(k) Any employee who becomes legitimately ill immediately before his scheduled vacation shall not be required to take his vacation during such an illness. If, however, an employee becomes ill after his vacation period has begun he shall not be entitled to sick pay during his vacation period. All vacations must be taken within the calendar year that they become due, except for sabbatical vacation.

An employee's vacation will start when the employee is released from duty on his last regularly scheduled working day prior to the scheduled vacation, and shall end at the start of his first regularly scheduled working day following the scheduled vacation. However,

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SECTION 1**

prior to the beginning of his scheduled vacation, an employee may indicate, in writing to his supervisor, that he desires to be considered for work on what would have been normal off days at the beginning or end of his scheduled vacation.

Section 2. (a) An employee who has completed six (6) months of continuous service shall be entitled to four (4) compensated personal days off each calendar year. Requests for personal days must be made at least five (5) calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a five (5) calendar day notification may be approved by an employee's supervisor. Arrangements for all personal days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal day is not used during a year, it shall be lost and no additional compensation shall be granted.

(b) An employee who has completed six (6) months of continuous service shall be entitled to one (1) compensated Diversity Day off each calendar year. Requests for this day must be made at least five (5) calendar days prior to the date requested and must be

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SECTION 2

approved by management. However, because of extenuating circumstances, less than a five (5) calendar day notification may be approved by an employee's supervisor. The Company reserves the right to limit the number of employees who can be off on a specific day for business needs. However, every effort will be made by supervision to honor an employee's request for this Diversity Day. If the Diversity Day is not used during a year, it shall be lost and no additional compensation shall be granted.

Section 3. ABSENCE DUE TO SICKNESS
OR ACCIDENT:

(a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular payday following the date such employee becomes eligible.

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for

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more than seven consecutive calendar days, the employee will receive Short Term Disability consisting of full compensation for up to twenty-six (26) weeks or until the employee is able to return to work, whichever occurs first.

Failure to present a certificate from a physician licensed to practice medicine prior to the end of the seventh (7th) consecutive calendar day or failure to provide a legitimate excuse will cause the employee's Short Term Disability to be denied until the time such certificate is received.

(c) After an employee has been continuously disabled, subject to medical determination, and is unable to return to work for more than twenty-seven (27) consecutive weeks, and has exhausted Short Term Disability Benefits, the employee will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

(d) In order to facilitate the scheduling of the work forces, an employee who will be absent from work is expected to notify the Company as soon as possible. Unless an employee submits a legitimate excuse for not reporting the cause of his absence before the end of the first scheduled working day of such absence, the employee's claim for Short Term

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SECTION 3

Disability shall not begin until such notice is received.

(e) No wages will be paid under Article IV, Section 3 for illness caused by venereal disease, use of drugs, intoxication, or willful intention to injure oneself or others, by the commission of any crime by the employee, or his refusal to adopt such remedial measures as may be commensurate with his disability or *permit such reasonable examinations and inquiries* by the Company as in its judgment may be necessary to ascertain the employee's condition.

(f) The Company agrees that on an employee's return from illness, or disability of any kind, an effort will be made to find a less strenuous type of work for such employee until such time as the Company's and the employee's physician agree that he is capable of taking up his former duties. During this temporary period the employee shall be paid his regular classified rate of pay.

(g) If employees with twenty-five (25) or more years of service become physically unable to satisfactorily and safely perform the regular duties of their classification, an effort will be made by the Company to find work of a less strenuous nature for which they are qualified and to which the employees will be

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SECTION 3

retrogressed. At the time of their assignment to a job of a lower classification their hourly wage rate will be reduced by ten cents (10¢) per hour and at six month periods will be reduced by ten cent (10¢) steps until their hourly wage rate conforms to the maximum hourly wage rate of the job classification to which they are assigned.

(h) If employees with twenty (20) to twenty-four (24) years of service become physically unable to satisfactorily and safely perform the regular duties of their job classification, they may request a demotion to a lower classification requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled until it is equal to the maximum hourly wage rate of the job classification to which they have been demoted. Employees whose wages have been red-circled and who subsequently achieve twenty-five (25) years of service will become retrogressed in accordance with paragraph (g) above.

(i) If employees with less than twenty (20) years of service become physically unable to satisfactorily and safely perform the regular duties of their job classification, they may request a demotion to a lower classification

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requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled at 50% of the differential between the maximum wage rate of the job classification to which they are demoted and their former job classification. Two years after being assigned to the lower paying job, the employee's wage rate will be reduced to the maximum wage rate of the employee's current job classification.

Section 4. INDUSTRIAL ACCIDENTS

(a) An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after an initial seven (7) calendar day waiting period and will continue for not more than twenty-six (26) weeks of continuous disability. However, if an industrial accident disability continues for fourteen (14) or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven (7) day waiting period.

(b) An injured employee who has been continuously disabled due to an industrial

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accident, subject to medical determination, and is unable to return to work for more than twenty-six (26) consecutive weeks, and has exhausted Short Term Disability benefits, will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

Section 5. SURPLUS EMPLOYEES.

Should an employee be declared a surplus employee, an effort will be made by the Company to find another job classification for which the employee is qualified. An employee assigned to a job of a lower classification as a result of his being a surplus employee will maintain his present hourly rate until the maximum hourly wage rate for the job classification to which he has been assigned is equal to the employee's present hourly wage rate or until the employee is promoted into a job opening for which he is qualified.

ARTICLE V

Section 1. (a) Definitions of Workers:

Day Worker - An employee whose Regular Scheduled Work Period falls between the hours of 6:00 a.m. and 6:30 p.m. and whose Regular Scheduled Work Week does not vary.

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SECTION 1

Straight Shift Worker - An employee whose Regular Scheduled Work Period does not vary, but whose Regular Scheduled Work Week varies according to a prearranged schedule.

Fixed Shift Worker - An employee whose Regular Scheduled Work Period and whose Regular Scheduled Work Week do not vary but who may work any of three shifts.

Modified Shift Worker - An employee whose Regular Scheduled Work Period varies but whose Regular Scheduled Work Week remains constant.

Rotating Shift Worker - An employee whose Regular Scheduled Work Period and Regular Scheduled Work Week both vary according to a prearranged schedule.

(b) These definitions attempt to define the types of schedules of the employees, however, it is not meant to limit the hours that an employee may be scheduled by existing practices or future schedules that may be developed by mutual agreement of the parties.

(c) The Regular Scheduled Work Period for Day Workers, Straight Shift Workers, Fixed Shift Workers, and Modified Shift Workers will consist of eight (8) or ten (10) consecutive hours exclusive of the lunch period.

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(d) The Regular Scheduled Work Period for Rotating Shift Workers shall be eight (8) or ten (10) consecutive hours comprising his regularly scheduled shift, except where modified by the Work Rules.

(e) For payroll purposes, the regular Work Week for all workers shall begin at midnight Sunday, and employees working on a shift beginning two (2) hours or less before midnight will be considered as having worked their hours following midnight.*

*For exceptional shifts varying more than two (2) hours from a midnight origin or termination and where the shift overlaps from one day into another day the time shall be reported and paid for on the basis of the calendar day in which the shift begins, except on a holiday. Where a shift overlaps by more than two (2) hours from one day into another on a holiday, the time shall be paid for on a calendar day basis which will begin and end at the respective midnight periods.

Schedules for all employees will be based on the time prevailing in the City of Cincinnati.

(f) The Regular Scheduled Work Week for Day Workers, Fixed Shift Workers and for

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Modified Shift Workers shall begin on Monday and shall consist of five (5) consecutive days from Monday to Friday, inclusive, except as otherwise mutually agreed to by the parties.

(g) The Regular Scheduled Work Week for both Straight Shift Workers and Rotating Shift Workers shall begin on Monday and end on Sunday.

(h) Off-days for both Rotating Shift Workers and Straight Shift Workers shall be consecutive but not necessarily in the same work week.

(i) Time and one-half shall be paid for overtime; for all time worked outside of the Regular Scheduled Work Day; for all time worked on a scheduled off-day, except the second (2nd) off-day.

Time and one-half shall be paid for the first eight (8) hours worked on a holiday in addition to Holiday Pay.

(j) Double time shall be paid for the time worked on an employee's second scheduled off-day. Day workers and employees who work four (4) day ten (10) hour schedules between the hours of 6:00 a.m. and 6:30 p.m. only, will have Sunday as their double time day.

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Double time shall be paid for all time worked in excess of eight (8) hours on a holiday.

Double time shall be paid for all emergency time worked for other utilities at their respective operating locations. Work performed at any location or facility owned and/or operated by Cinergy Corp., or its subsidiaries is excluded from this double time provision.

(k) Employees required to work more than 16 consecutive hours will be paid double time for all time worked in excess of, and contiguous with, the 16 consecutive hours.

(l) In no case will an employee be forced to take time off in lieu of overtime. Should an employee elect not to work during his Regular Scheduled Work Day he shall not receive pay for such time. A Day Worker's Regular Scheduled Work Day may be changed, at the applicable premium rate of pay, for projects or operations that exceed one (1) day's duration.

(m) The Company shall be the sole judge as to the necessity for overtime work and the employee shall be obligated to work overtime when requested to do so. Overtime shall be divided as equally and impartially as possible among all employees within a job

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classification of a headquarters or as may be contained in the work rules unless an employee designates, in writing, that he does not wish to be called for overtime. Such waiver does not excuse an employee from overtime work when requested to do so. Overtime lists showing overtime hours paid for and overtime hours waived shall be posted once each month on the Company bulletin boards in each headquarters.

(n) Employees temporarily upgraded to a job classification shall not be scheduled to work planned overtime when a qualified employee established in the job classification in that headquarters is available for work.

(o) When an employee changes headquarters or job classifications, the total of his overtime hours, including overtime hours worked or waived, will be canceled. The employee will then be charged with the same number of hours as the average of combined overtime hours worked and waived by all employees within that classification at the headquarters. When averaging overtime, omit the hours of any ill or injured employee whose hours have dropped below the lowest man for the group. Upon his return to work, his hours will not be included in the average until they are equal to those of the lowest man in the classification.

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(p) The Union recognizes the need for shift work and weekend work in order to provide for continuous operation. Premium rates will apply as set forth in Article V, Section 1, (i), (j) and (k).

(q) The Company reserves the right to temporarily change the schedule of any employee upon notice to the employee of not less than forty-eight (48) hours, subject to the exceptions outlined in the Departmental and Divisional Working Rules in Exhibit A of this Agreement.

(r) The hours of any employee assigned to a training program may be adjusted to a uniform day schedule so that all employees involved in a particular program will be working on a consistent schedule.

Section 2. It is agreed that the Scheduled Work Week shall consist of five (5) eight-hour or four (4) ten-hour days and forty (40) hours per week.

Section 3. (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing

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community practice is not consistent with the indicated date.

<u>Holiday</u>	<u>Date Recognized</u>
New Year's Day	January 1
Memorial Day	Last Monday - May
Independence Day	July 4
Labor Day	First Monday - September
Thanksgiving Day	Fourth Thursday - November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

(b) If the recognized date of a holiday occurs on a Saturday or Sunday the Company will have the option of observing that holiday on another date which the Company determines to be consistent with the community practice or paying eight (8) hours of regular straight time pay in lieu thereof for the holiday.

(c) Regular employees whose duties do not require them to work on holidays will be paid straight time; regular employees who are required to work on a recognized holiday for a period of four (4) hours or less not contiguous with hours worked into or out of the holiday will be paid for four (4) hours at time and one-half in addition to their straight time holiday pay. Employees who are required to work on a recognized holiday for more than four (4) hours

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not contiguous with hours worked into or out of the holiday but less than eight (8) hours will be paid for eight (8) hours at time and one-half in addition to their regular straight time holiday pay. Employees required to work on a holiday which is also their second off day will be paid at the rate of double time for the first eight (8) hours worked on the holiday. Employees who are required to work more than eight (8) hours on a recognized holiday will be paid at the rate of double time for all such work in excess of eight (8) hours. An employee must work either his full scheduled day before, or his full scheduled day after a holiday to be entitled to receive holiday pay.

(d) An employee will not be compensated for travel time on a call-out which occurs on a regular holiday.

(e) Employees who are on a four (4) day-ten (10) hour schedule will receive ten (10) hours of straight time pay if a holiday falls within their regular scheduled work week but they are not required to work the holiday. Employees whose regular scheduled work week does not include the paid holiday will receive eight (8) hours of straight time holiday pay.

Section 4. (a) An employee called out for overtime work shall receive a minimum of four (4) hours' pay at time and one-half, and

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double time if on an employee's second scheduled off-day.

(b) Employees called out, ahead of their regularly scheduled starting time, for other than planned overtime, shall be paid a minimum of four (4) hours at the appropriate overtime rate. A call-out shall be defined as notice to report for unscheduled work given to an employee by telephone or messenger after he has left his headquarters or place of reporting. Travel time of one-half hour each way, at the appropriate overtime rate of pay, will be allowed on a call-out when such call-out exceeds four (4) hours of continuous work that is not contiguous with a regularly scheduled shift. Employees will not be compensated for any travel time on a call-out when the employee is not released from work before his regularly scheduled shift, nor will travel time be allowed when overtime is worked continuously at the end of a regularly scheduled shift.

An employee shall be compensated for two (2) hours, at the straight time rate, if before reporting to work, a call-out overtime assignment is canceled later than one (1) hour after the original notification.

(c) Planned overtime shall be defined as time worked upon notice to an employee given before leaving his headquarters or place of

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reporting, or in case of an off-day, during or before what would have been his scheduled hours on that day, that he is to report outside of his regular schedule on any succeeding day. Such time worked shall be paid for at the appropriate overtime rate but not for less than four (4) hours unless such planned overtime extends into or directly follows the employee's regularly scheduled work day, when it shall be paid for at the appropriate overtime rate for the actual hours worked.

(d) When planned overtime is canceled, notice shall be given before an employee leaves his headquarters or place of reporting, or by telephone during or before what would have been his scheduled hours on the day preceding the planned overtime.

(e) An employee, who is scheduled for planned overtime and who is not notified of the cancellation of the planned overtime, within the prescribed period of time, but is notified by telephone before he reports for work, or cannot be notified by telephone and reports for work, shall receive two (2) hours pay at straight time. If planned overtime is rescheduled to begin more than eight (8) hours after the original starting time, the employee shall receive two (2) hours pay at straight time.

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Section 5. (a) Except as otherwise provided, when employees are required to work ten (10) consecutive hours (excluding time taken out for meals), he shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked thereafter until released from duty. Employees who work a four (4) day-ten (10) hour schedule shall be furnished a meal, or compensation in lieu thereof whenever they work one hour or more in excess of their normal work day, and an additional meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked thereafter until released from duty.

(b) When an employee is called out on either his scheduled off day, or four (4) or more hours before his regularly scheduled starting time, he shall be furnished a meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked even though he works into his regularly scheduled work day.

(c) Employees scheduled to work a double shift (two consecutive eight (8) hour shifts on different work days) shall be entitled to meals, or compensation in lieu thereof, during this sixteen (16) hour period.

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(d) The meal compensation allowance referred to throughout this Agreement shall be as follows:

Current	Effective	Effective	Effective
	4/01/00	4/01/01	4/01/04
\$8.75	\$9.00	\$9.25	\$9.50

Section 6. No construction work shall be performed by employees included in this Agreement on Labor Day, except that which is necessary to protect life, property or continuity of service.

Section 7. Pay-day for employees covered by this Agreement shall be on Friday of every other week. When it is reasonably possible, checks will be delivered to the employees not later than quitting time on Thursday.

Section 8. (a) When conditions require that an employee shall work at such a distance from his regular headquarters that returning to his headquarters each day would be impracticable, the Company at its option shall either provide transportation, meals and lodging or reimburse the employee to a reasonable amount for expenses incurred. If such an employee is not required to work on his regular off-days, the Company shall provide

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transportation to his regular headquarters or shall pay him straight time for eight (8) hours in each twenty-four (24) hours in each such off-day and shall furnish meals and lodging for each such off-day.

(b) Employees required to train outside the Company's service area as part of a training program will be paid at their regular straight time rate when participating in the training program and, in addition, will be provided reasonable expenses for transportation, meals and lodging.

Section 9. (a) Each employee shall have a specific headquarters for reporting for work. However, the right of the Company to temporarily assign employees to other locations to properly run its business is recognized.

(b) When it is necessary to temporarily assign employees to a headquarters other than their own or to a job site reporting location that is farther from their home than their regular headquarters, such employees will be paid mileage at the amount per mile approved by the Internal Revenue Service, based on the additional round trip mileage employees are required to drive. No mileage compensation will be paid for the temporary assignment if

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the other reporting location is closer to the employee's home.

(c) Job site reporting and other temporary assignments will be offered on a voluntary basis. If there is an insufficient number of volunteers, assignments will be made on a junior qualified basis. When assigning the junior qualified, unusual or extenuating circumstances will be taken into consideration.

(d) Employees may be assigned to drive Company vehicles from and to the job site from home or sites close to home. If Company vehicles are used in such a manner, the *mileage provisions for job site reporting* are not applicable. During a job site reporting assignment, depending on Company vehicle availability, employees at their option, may pick up and return such Company vehicle to *their regular headquarters, provided such travel is on their own time.*

(e) Employees in the Inventory Services, Power Plant Stores, Transportation, and Power Operations Departments will not be subject to job site reporting. However, if employees from these departments are temporarily assigned to a headquarters other than their own, the provisions of this section will apply.

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Section 10. (a) The Company will not require employees to do construction or maintenance work in exposed locations out of doors during heavy or continuous storms or excessively cold weather, unless such work is necessary to protect life, property or continuity of service.

(b) Employees covered by this Agreement shall not be required to lose time due to such weather conditions, but the Company may provide work indoors at their regular rate of pay.

(c) Employees will be permitted to waive overtime when planned outages have been prearranged with the customer wherein the outage may not be deferred due to inclement weather, however, if the desired number of employees, from each of the required job classifications, are not acquired on a voluntary basis the qualified employees with the lowest accumulated overtime will be assigned. This work, when possible, will be performed "dead" and the employees will be furnished with the appropriate weather gear when necessary.

Section 11. Any employee covered by this Agreement who is eligible to vote in any City, County, State or National election shall be allowed a reasonable time off with pay, if necessary, to vote if he so desires.

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Section 12. Upon the death of the designated relatives of an employee, the employee, upon request, may be entitled to the stipulated maximum number of calendar days off for which he is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one (1) day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two (2) days following the funeral. No pay will be granted for regular scheduled off days.

<u>Relationship</u>	<u>Maximum Consecutive Calendar Days Off</u>	<u>Maximum Consecutive Working Days Off With Pay</u>
Spouse or Domestic Partner	7	5
Child	7	5
Mother	7	5
Father	7	5
Brother	7	5
Sister	7	5
In-laws (father, mother, brother, sister, son or daughter	5	3
Grandchild	5	3
Grandparent/Spouse's Grandparent	4	2

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If an employee has worked four (4) hours or more and is notified of a death in his family, and leaves the job, the day will not be charged as one of the consecutive working days. If, however, he has not worked four (4) hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

Section 13. (a) Employees required to serve on a jury shall be compensated on the basis of their regular wage. Employees will be required to report to their headquarters following their daily release from jury service if there are at least two (2) hours of work time remaining.

(b) An employee working on either a night or afternoon shift at a time when he is scheduled for jury duty, who is unable to postpone the jury duty until a time when he will be working on a day shift, may request the Company to assign him to a day shift schedule. Such a request must be made at least seven (7) working days before the jury duty service is scheduled to begin. When the term of jury duty for such an employee has ended, he shall return to his normal working schedule.

Section 14. Regular pay and reasonable or required expenses will be allowed employees who may be summoned to testify for the Company in lawsuits.

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Section 15. The person elected by the Union to represent them as Business Manager shall be permitted, after proper arrangements have been made with the appropriate department manager of the Company, or his authorized representative, to enter all buildings and areas where men covered by this Agreement are working when such visits are necessary to carry out the terms of this Agreement in connection with questions arising out of this Agreement.

Section 16. (a) The Company shall have the right to require examinations, either oral, written, or practical, to determine the fitness of employees for promotional opportunities. Such examinations shall be uniformly administered and shall be required of all successful employee-applicants for new positions. The equipment and facilities necessary for such examinations will be provided by the Company. The Company shall compensate the employees engaged in examinations for the time spent in such examinations at their regular rate of pay. An employee can indicate, within five days after receiving the results of an examination, that he feels the examination was not fairly administered. If the employee submits a valid reason, the Company will administer a second examination with a Union designated witness present. If this second examination is

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administered it will not be subject to the grievance procedure.

(b) An employee who has successfully completed an examination for a new position shall be reclassified and paid the proper rate for the new classification as soon as he begins work in the new classification, in accordance with the terms of this Agreement. Any employee failing to pass such examination shall be eligible to retake that examination after a period of three (3) months, provided an opening exists in the classifications for which the examination has been taken. Any employee failing the examination a second time will not be eligible for reexamination for a twelve (12) month period and for subsequent two (2) year intervals thereafter except that departmental tests may be retaken after subsequent twelve (12) month intervals.

Section 17. The Company agrees to furnish bulletin boards at all division headquarters for the use of the Union. The use of these boards is restricted to the following: notices of union meetings, notices of union elections, notice of changes within the union affecting its membership, or any other official notices issued on the stationery of the Union and signed by the Business Manager or other duly elected or appointed officer. There shall be

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no other general distribution or posting by members of the Union of pamphlets or literature of any kind except as provided for herein.

Section 18. The Company agrees to guarantee employment of not less than forty (40) hours per week for fifty-two (52) weeks of each year to employees covered by this Agreement who are ready and available and able to work, and who are regular full-time employees of the Company, provided nothing in this section shall be construed to prevent the Company from releasing employees because of lack of work or for other proper and legitimate reasons, as provided for in Article I, Section 9.

Section 19. (a) The Company agrees to notify the Union of the contemplated hiring of any outside contractors to do work normally done by the regular employees covered by this Agreement.

(b) In instances where it is necessary to contract for equipment, during periods of emergency, such equipment will be manned by regular Company employees if and when they are available and qualified to operate such equipment.

(c) It is the sense of this provision that the Company will not contract any work which is ordinarily done by its regular employees, if as

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a result thereof, it would become necessary to lay off any such employees.

Section 20. (a) The Company agrees that any employee covered by this Agreement who is temporarily advanced to a higher classification for four (4) hours or more shall receive either the minimum rate of pay applicable to that classification or twenty-five cents (25¢) per hour, whichever is greater, but no more than the maximum wage rate of the job to which the employee is upgraded. If such work is for more than four (4) hours the employee shall receive this upgrade pay for the remainder of the normal day worked. When an employee covered by this Agreement is temporarily advanced to a non-supervisory position outside his bargaining unit, he shall be paid the established hourly wage rate for such position if such work is for one (1) hour or more. When an employee is temporarily required to perform work in a lower-paid classification, he is to suffer no reduction in pay.

(b) In the administration of this section of the Agreement a temporary assignment shall be construed to mean any job assignment which is not expected to continue for more than ninety (90) days.

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(c) When an employee in this bargaining unit is temporarily advanced to a supervisory position outside the bargaining unit, the employee shall receive one dollar and twenty-five cents (\$1.25) per hour above the maximum rate of pay of his job classification.

Section 21. (a) Company Group Life Insurance carried by employees entering military service will be canceled ninety (90) days after employee enters such service. Advance premium paid by employee beyond date of cancellation will be refunded to employee. Insurance of employees re-entering Company service within ninety (90) days after their release from active duty will be reinstated without physical examination or waiting period.

(b) Employees on layoff will be entitled to continue to participate in the Company Group Life Insurance coverage at no cost to the Company. Employees on layoff must pay the total monthly premium for their coverage by the first of each month. Such insurance coverage will be terminated when employees do not pay the total premium as stated above; when they accept full time employment elsewhere; or when they lose their system service in accordance with Article III, Section 5 (h). Employees will have their prior Group Life Insurance coverage reinstated without physical

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SECTION 21

examination or waiting period upon returning to Company service from a layoff.

Section 22. (a) The Company shall furnish the employees with the proper safety devices as required by the Company for protection of life and property in the performance of their duties. The employees shall at all times use every means for the preservation of such safety appliances and shall use them when necessary.

(b) The Company will notify promptly the Union Business Manager or the Union Business Office of any accident resulting in serious injury or death to an employee.

(c) The Union may investigate any serious accident with its Union Committee and at its own expense and the management representative on the site will cooperate with the Union Committee. This shall not be construed to mean a joint investigating committee.

It is further agreed that the Company will not provide the Union Committee with the report made by the Company. It is further agreed that the Union investigation will not interfere with or interrupt the normal operation of the job.

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(d) *The Company and the Union agree to the establishment of a Joint Safety Advisory Committee which shall meet quarterly or more frequently upon the call of the Chairman of the Committee.*

It is further agreed that employees engaged in such meetings during their working hours shall suffer no loss in pay for such time.

(e) The purpose of the Joint Safety Advisory Committee is to give consideration to those general accident prevention programs and policies that affect the safety of the employees in the bargaining unit represented by Local Union 1347 of the International Brotherhood of Electrical Workers. The Joint Safety Advisory Committee shall not deal with individual or group grievances. The administration of the accident prevention policies, programs and procedures are vested in and reserved to the management of the Company.

Section 23. The Company reserves the right to arrange at its own expense for medical examinations of any employee at any time.

Section 24. (a) The Union shall furnish the Company with a list of Department Stewards and this list shall be kept current. It is further agreed that only regular employees of

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SECTION 24

the Company who are covered by this Agreement shall be designated as stewards.

(b) When in the judgment of the Company the absence of a Steward from his regular duties will not interfere with the operations of the Company, he may be available for handling grievances, witnessing an examination or an investigation of an employee within this unit.

Section 25. (a) The wage schedules described in the Agreement in effect immediately prior to the date of this Agreement shall be amended as follows:

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Maximum Hourly Wage Rates

Wage Level	As of Mar. 31, 2000	Effective April 1, 2000*	Effective April 1, 2001**	Effective April 1, 2002***
1	\$ 9.70	\$ 9.99	\$10.29	\$10.60
2	\$11.20	\$11.54	\$11.89	\$12.25
3	\$14.26	\$14.69	\$15.13	\$15.58
4	\$14.55	\$14.99	\$15.44	\$15.90
5	\$14.87	\$15.32	\$15.78	\$16.25
6	\$15.58	\$16.05	\$16.53	\$17.03
7	\$16.58	\$17.08	\$17.59	\$18.12
8	\$17.08	\$17.59	\$18.12	\$18.66
9	\$17.39	\$17.91	\$18.45	\$19.00
10	\$17.75	\$18.28	\$18.83	\$19.39
11	\$18.62	\$19.18	\$19.76	\$20.35
12	\$18.87	\$19.44	\$20.02	\$20.62
13	\$19.12	\$19.69	\$20.28	\$20.89
14	\$19.61	\$20.20	\$20.81	\$21.43
15	\$20.05	\$20.65	\$21.27	\$21.91
16	\$20.89	\$21.52	\$22.17	\$22.84
17	\$21.07	\$21.70	\$22.35	\$23.02
18	\$22.05	\$22.71	\$23.39	\$24.09
19	\$22.63	\$23.31	\$24.01	\$24.73
20	\$23.20	\$23.90	\$24.62	\$25.36
21	\$23.56	\$24.27	\$25.00	\$25.75
22	\$23.81	\$24.52	\$25.26	\$26.02
23	\$24.03	\$24.75	\$25.49	\$26.25
24	\$24.28	\$25.01	\$25.76	\$26.53
25	\$24.51	\$25.25	\$26.01	\$26.79
26	\$24.81	\$25.55	\$26.32	\$27.11

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Continued Maximum Hourly Wage Rates

Wage Level	Effective April 1, 2003 ****	Effective April 1, 2004 *****	Effective April 1, 2005 *****
1	\$10.92	\$11.25	\$11.59
2	\$12.62	\$13.00	\$13.39
3	\$16.05	\$16.53	\$17.03
4	\$16.38	\$16.87	\$17.38
5	\$16.74	\$17.24	\$17.76
6	\$17.54	\$18.07	\$18.61
7	\$18.66	\$19.22	\$19.80
8	\$19.22	\$19.80	\$20.39
9	\$19.57	\$20.16	\$20.76
10	\$19.97	\$20.57	\$21.19
11	\$20.96	\$21.59	\$22.24
12	\$21.24	\$21.88	\$22.54
13	\$21.52	\$22.17	\$22.84
14	\$22.07	\$22.73	\$23.41
15	\$22.57	\$23.25	\$23.95
16	\$23.53	\$24.24	\$24.97
17	\$23.71	\$24.42	\$25.15
18	\$24.81	\$25.55	\$26.32
19	\$25.47	\$26.23	\$27.02
20	\$26.12	\$26.90	\$27.71
21	\$26.52	\$27.32	\$28.14
22	\$26.80	\$27.60	\$28.43
23	\$27.04	\$27.85	\$28.69
24	\$27.33	\$28.15	\$28.99
25	\$27.59	\$28.42	\$29.27
26	\$27.92	\$28.76	\$29.62

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* The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 1999 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2000, July 3, 2000, October 2, 2000, January 1, 2001, based on the indexes of January 2000, April 2000, July 2000 and October 2000, respectively.

** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2000 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2001, July 2, 2001 October 1, 2001, December 31, 2001, based on the indexes of January 2001, April 2001, July 2001 and October 2001, respectively.

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*** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2001 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2002, July 1, 2002, September 30, 2002, December 30, 2002, based on the indexes of January 2002, April 2002, July 2002 and October 2002, respectively.

**** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2002 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2003, June 30, 2003, September 29, 2003, January 5, 2004, based on the indexes of January 2003, April 2003, July 2003 and October 2003, respectively.

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***** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2003 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2004, July 5, 2004, October 4, 2004, January 3, 2005 based on the indexes of January 2004, April 2004, July 2004 and October 2004, respectively.

***** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of labor, with the October, 2004 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2005, July 4, 2005, October 3, 2005, January 2, 2006, based on the indexes of January 2005, April 2005, July 2005 and October 2005, respectively.

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No adjustments, retroactive or otherwise, shall be made due to any revisions which may later be made in the published figures in the Consumer Price Index for the months indicated above.

Employees are eligible for an incentive lump sum bonus up to a maximum of 2% of straight time and overtime wages per year, based on the achievement of goals during the previous year, as determined by the Company.

(b) Effective April 1, 2000, any employee who was on or below the maximum hourly wage rate of his job classification on April 1, 2000, shall receive the hourly wage rate increase in accordance with the increase applicable to the maximum wage rate of their job classification.

The hourly wage rate increases shall not apply to the minimum hourly wage rates of starting job classifications.

(c) Employees shall be provided the higher of a twenty-five cent (25¢) promotional increase above the maximum wage rate of the job classification from which they promote, or the minimum wage rate of the job classification to which they promote. This provision will not apply when the maximum wage rate of a job is not at least twenty-five cents (25¢) above the maximum wage rate of the job classification from which it promotes.

**ARTICLE V
SECTION 25**

(d) Whenever the difference between the minimum and maximum wage rates of any hourly rated job classification is not divisible by ten, the hourly wage rates will be by ten cent (10¢) steps with the exception of the last step to the maximum hourly wage rate of the job classification. In such case the increase to the maximum hourly wage rate will include the ten cent (10¢) increment plus the odd amount necessary to equal the maximum hourly wage rate, provided, however, that the total amount of this increase is less than twenty cents (20¢).

(e) Employees who are below the maximum hourly wage rate of their job classification shall continue to receive such length of service increases as they may be entitled to under the operation of the job classification and wage evaluation plan.

(f) Employees who are on physical retrogressions shall receive the increase applicable to their present individual hourly wage rates.

(g) The shift differentials to be paid employees on scheduled shifts on classified jobs shall be as follows:

**ARTICLE V
SECTION 25**

Continued on Next Page

**ARTICLE V
SECTION 25**

Name of Shift	Definition of Shift	Differential Shift Cents Per Hour	
		Current	4/1/00
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	0	0
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight.	\$1.05	\$1.10
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.10	\$1.15
CONTINUED			

ARTICLE V
SECTION 25

CONTINUED

4/1/01 4/1/02 4/1/03 4/1/04 4/1/05

0 0 0 0 0

\$1.15 \$1.20 \$1.25 \$1.30 \$1.35

\$1.20 \$1.25 \$1.30 \$1.35 \$1.40

**ARTICLE V
SECTION 25**

(h) When the majority of the hours in a shift are on Sunday, a Sunday premium in the amount of \$1.35 per hour will be paid to an employee for all scheduled straight time hours worked on that shift. On April 1, 2001 this amount will increase to \$1.40 per hour; on April 1, 2002 to \$1.45 per hour; on April 1, 2003 to \$1.50 per hour; on April 1, 2004 to \$1.55 per hour and on April 1, 2005 this amount will increase to \$1.60 per hour.

(i) In conjunction with the letter of Patrick P. Gibson of 2000, which is the preamble to the Company's job classification and evaluation system, the Company shall prepare occupational classifications and job descriptions which will define, as nearly as possible, the nature of the work involved under each payroll classification. The Company will initiate all new and revised job classifications or promotional sequences.

(j) When the management of a department has written or revised a job description, a representation of union employees within that department will be given an opportunity to suggest changes to the job description. The union representative will also be requested to complete a job questionnaire. The completed job questionnaire must be signed by the union representative and approved by the management of the department. After the management of the department has reviewed the suggested changes to the job

**ARTICLE V
SECTION 25**

description and approved the job questionnaire, this job documentation will be submitted to the Company's Evaluation Committee. The union representative will be invited to the Company's evaluation Committee meeting to present information about the job classification. There will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.

(k) The Company's Evaluation Committee will be responsible for evaluating all new and revised job classifications. The Union will appoint two (2) members to the Company's Evaluation Committee. The evaluation that is established by this Committee is used to determine the maximum wage rate for each new or revised job classification. Results of the evaluation will be communicated to the Union two weeks before the new or revised job classification becomes effective.

(l) The Union shall maintain a Job Evaluation Advisory Committee consisting of not more than five members who may review the evaluation and wage rate of any job classification which undergoes a substantial change in qualifications or duties. The Union's Committee may, by request, meet with the Company's Committee, at a mutually convenient time within thirty (30) days after the effective date of the new or revised job classification, to present any information relevant to the evaluation of the job

ARTICLE V
SECTION 25

classification which has been included in the previous written comments of the Union representative. The Union will be notified after the Company's Committee has reviewed the additional information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached. The Company will not be required to maintain, establish or discontinue any job classification covered by this Agreement.

(m) Members of the Union's Job Evaluation Advisory Committee shall not suffer a loss of pay when engaged in meetings during their working hours with the Company's Job Evaluation Committee.

(n) Where the Union deems an employee, or employees, to be improperly classified, it will be considered as a grievance and shall be handled under the grievance procedure of this Agreement.

ARTICLE V
SECTION 26

Section 26. (a) Employees represented by the Union are entitled to the benefits of the Retirement Income Plan as contained in the Company's publication "Cinergy Corp. Union Employees' Retirement Income Plan", with the latest amended date of January 1, 1998, and which includes changes as required by appropriate federal legislation and regulation governing such plans.

(b) It is agreed that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until April 1, 2004.

Section 27. The Company will provide each employee with Term Life Insurance in the amount of two (2) times the employee's straight time annual salary.

Section 28. (a) Health Care coverage will consist of alternative medical and dental plans. Employees will pay ten percent (10%) of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. The Company's part of the above premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such a contract immediately prior to the employee's sickness or industrial accident.

**ARTICLE V
SECTION 28**

(b) Employees on layoff will be entitled to continue to participate in the health care plan and dental plan coverages that they had at the time of layoff, at no cost to the Company. Employees on layoff must pay, in advance, the total monthly premium for their coverage by the fifteenth of each month for the following month's coverage. Such insurance coverage will be terminated when employees do not pay the total premium as stated above; when they accept full time employment elsewhere; or when they lose their system service in accordance with Article III, Section 5 (h).

Section 29. (a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as "Cinergy Corp. Union Employees' Savings Incentive Plan", for non-exempt employees, hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication "Cinergy Corp. Union Employees' Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive Plan indefinitely but it must reserve the right to alter or amend it or to

ARTICLE V
SECTION 29

discontinue Company contributions to it at any time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Savings Incentive Plan be recoverable by the Company or be used for or diverted to any purposes other than for the exclusive benefit of the employee participants or their beneficiaries as provided in the Savings Incentive Plan.

ARTICLE VI

Section 1. (a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation or second off day, it is agreed that under no circumstances shall any Section of this Agreement be interpreted to provide the pyramiding of a benefit or premium payment to employees covered by this Agreement. For example, no employee may claim sick pay while receiving vacation pay or holiday pay while receiving sick pay.

(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that the employee may receive payment for another benefit. For example, no employee may interrupt his vacation to begin sick leave or interrupt his sick leave to include a holiday. The only exceptions to this provision is that an employee's sick pay may be interrupted to include vacation pay.

ARTICLE VI
SECTION 2

Section 2. This Agreement shall be binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company in accordance with the General Memorandum of Understanding dated February 14, 2000.

IN WITNESS WHEREOF, Local Union 1347 of the International Brotherhood of Electrical Workers and The Cincinnati Gas & Electric Company and The Union Light, Heat and Power Company do hereby, by their duly authorized agents, in the premises, execute and sign this 2000 - 2006 Agreement between The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Local Union 1347, in duplicate, this 1st day of September, 2000.

**For the Union
Local Union No. 1347 of the
International Brotherhood of
Electrical Workers**

**Francis B. Kelly
Business Manager**

**Kenneth M. Gross
Assistant Business Manager**

**Stephen H. Feldhaus
President**

**Michael J. Roether
Recording Secretary**

**For the Company
The Cincinnati Gas & Electric Company**

**Larry E. Thomas
President, Energy Delivery
Business Unit**

**Michael J. Cyrus
President, Energy Commodities
Business Unit**

**Daryl J. Teed
General Manager, Employee Relations,
Safety and Disability Programs**

**Kenneth E. Williams
Manager, Employee Relations**

EXHIBIT "A"

DEPARTMENTAL AND DIVISIONAL WORKING RULES

POWER OPERATIONS DEPARTMENT

GENERAL WORK RULES

APPLICABLE TO:
EAST BEND STATION
MIAMI FORT STATION
WALTER C. BECKJORD STATION
WM. H. ZIMMER STATION
WOODSDALE STATION
(including the Dick's Creek Station)

1. Shift Schedules shall be established in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.
2. A list of the employees in each Production Team and Support Team of each Division shall be posted by the Company each

month showing the overtime worked by each employee during the previous month.

3. The normal meal period for Support Team employees, whose schedule provides a non-compensated one-half hour's meal period, will be defined by the Teams. If the meal period is not granted between the time period designated by the Teams, the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.
4. The primary duties of Team Consultants and Plant Specialists shall be listed in the Team Guidelines and no manual work is to be done which will detract from these primary duties.
5. On Shift Work Schedules, subject to the approval of the Team and review of the Group Leaders, employees will be permitted to trade shifts on the same job and jobs on the same shift, if both are qualified and agreeable.
6. On Shift Work Schedules, a list of employees on each Team shall be posted by the Company showing the current Team assignment and the progressive scheduled off-days where applicable.

7. No employees working on a Shift Work Schedule may be relieved and leave their job more than 30 minutes before their scheduled quitting time, unless they have received prior approval from their Team.
8. The Company will not require employees to furnish tools.
9. All thirty (30) minute unpaid meal periods may begin a half-hour before or after the normal meal period, at the discretion of the Team.
10. When employees are assigned to training classes they may be required to work eight (8) hours exclusive of an unpaid lunch period.
11. Those Production Team employees who are assigned to work for one or more days on other Teams will work the same designated hours as the Team to which they are assigned.
12. Personnel may be required to work ten (10) and twelve (12) hour shifts at the appropriate straight time and overtime rates for outages and/or as needs dictate:

DIVISION 6

Division	1	East Bend Station
Division	2	Miami Fort Station
Division	3	W. C. Beckjord Station
Division	4	WM. H. Zimmer Station
Division	5	Woodsdale Station (including the Dick's Creek Station

- (a) Production Teams will work on a Rotating Shift Schedule or as described in General Work Rule 1, as determined by the Teams.
- (b) Support Teams will work schedules as required to support the Production Teams, as described in General Work Rule 1, as determined by the Teams.

ENERGY DELIVERY

Division 6: OPERATORS

(a) MANUAL OPERATORS SECTION (including Station Operators)

1. These employees shall operate on a Rotating Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work

DIVISION 6

scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

Relief Operators work on all shifts. For the purpose of determining shift differential wages, all the employees in this group, including Relief Operators, shall be designated Shift Workers.

2. There shall be no Working Foremen in this group.
3. Station Operators assigned to general relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.

(b) MOBILE OPERATORS SECTION

1. These employees shall operate on a Rotating Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m.

DIVISION 6

and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

Relief Operators work on all shifts.

For the purpose of determining shift differential wages, all employees in this group including Relief Operators shall be designated Shift Workers.

1. There shall be no Working Foremen in this group.
2. Mobile Operators assigned to relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.

Division 7: SUBSTATION

(a) ELECTRIC MAINTENANCE SECTION

1. This Section shall work on a Fixed Shift Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00

DIVISION 7

p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

The supervisor, at his discretion, may designate the thirty (30) minute meal period to begin one-half hour before the Normal Meal Period or may delay the beginning of the thirty (30) minute meal period to the time when the Normal Meal Period is scheduled to end.

(b) ELECTRIC REPAIR SECTION

1. This Section shall operate on a Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the

DIVISION 7

meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

(c) CONSTRUCTION SECTION

1. This Section shall operate on a *seasonally adjusted Day Schedule* or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the *occasional pulling up* of materials to employees and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to

DIVISION 7

their crews and that no manual work is to be done which will detract from these primary duties.

2. The Company shall not require an employee to furnish tools.

Division 8: ELECTRIC TEST

1. This Division shall operate on a Day Schedule or in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and

DIVISION 8

will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

2. The Company shall not require an employee to furnish tools.

ENERGY DELIVERY

GENERAL WORK RULES

APPLICABLE TO DIVISION 9 THROUGH 13

1. Shift Schedules shall be defined in each section in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.
2. The normal meal period for divisions which operate on a day schedule will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m.

DIVISION 8

3. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.
4. The Company shall not require an employee to furnish tools.
5. Employees who bid, qualify and are accepted for posting openings in a Division shall receive a classified seniority date based on the date they enter the job opening and shall be eligible for merit increases at six (6) month intervals regardless of the wage rate of any other employee in the job classification, but in no event will an employee receive a wage rate that is higher than the maximum rate of the job classification which he is entering.

Division 9: ELECTRIC TROUBLE

1. The Electric Trouble Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.
2. The Manual work of the Foremen in this Section shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of

DIVISION 9

materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

3. Extra Linepersons "A"-Trouble shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.
4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five

DIVISION 9

- (5) hour interval thereafter, until released from storm duty.

Division 10: ELECTRIC METER

1. The Electric Meter Section will operate on a Day Schedule or as described in General Work Rule 1.

The Premise Service Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.

2. There shall be no working Foremen in this Section.
3. Extra Premise Troubleshooters shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.
4. Extra Premise Troubleshooters will be used to fill assigned shifts at their respective headquarters.
5. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the

DIVISION 10

storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five (5) hour interval thereafter, until released from storm duty.

Division 11: OVERHEAD TRANSMISSION AND DISTRIBUTION CONSTRUCTION DIVISION

1. The Overhead Transmission and Distribution Section shall operate on a Day Schedule or as described in General Work Rule 1.
2. The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of

DIVISION 11

work to their crews and that no manual work is to be done which will detract from these primary duties.

3. Additional help will be supplied small line crews setting poles and transformers *when conditions are such that the normal crews need additional help in the setting of poles and transformers in a safe and workmanlike manner.*
4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. *The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:*

Employees assigned to work on the storm working schedule who have completed five (5) hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five (5) hour interval thereafter, until released from storm duty.

DIVISION 12

Division 12: UNDERGROUND CABLE AND EQUIPMENT

1. This Division shall operate on a Day Schedule and when required, a Fixed Shift Schedule or as described in General Work Rule 1.
2. There shall be no working Foremen in this Division.
3. When an opening occurs in a job classification within the Cable; Transformer & Equipment; and Test & Operation Sections of the Underground Cable and Equipment Division, job openings will be filled by the multiple posting system as outlined in Article III, Section 7(g).
4. Overtime shall be divided as equally and impartially as possible among all employees within a job classification in each Section of Division 12, such as Cable Section; Transformer & Equipment Section; and the Test & Operation Section.

Division 13: SERVICE DIVISION

(a) MATERIAL AND REPAIR SECTION

DIVISION 13

The Material and Repair Section shall operate on a Day Shift Schedule and when required on a Modified Shift Schedule or as described in General Work Rule 1.

(b) MACHINE SHOP SECTION

This Section shall operate on a Day Schedule or as described in General Work Rule 1.

(c) BRECON HEAVY EQUIPMENT AND REPAIR SECTION

This Section shall operate on a Day Schedule or as described in General Work Rule 1.

The manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to employees and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.

DIVISION 14

Division 14: INVENTORY SERVICES

1. This Division shall operate on a Modified and a Fixed Shift Schedule (Monday - Friday) in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

Each shift will include a one-half hour meal period.

2. The Company shall not require an employee to furnish tools.

Division 15: POWER PLANT STORES

This Division shall operate on a Modified Shift Schedule and, where necessary, a Rotating Shift Schedule in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours

DIVISION 15

Each shift will include a one-half hour meal period.

- a. At Woodsdale Storeroom a one-day notice is required to change a schedule from day-to-day.
- b. At Woodsdale Storeroom any schedule can start thirty (30) minutes earlier and end thirty (30) minutes earlier with a one-day notice of a schedule change.

Division 16: TRANSPORTATION SERVICES

1. This Department shall operate on a Fixed Shift Schedule in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.

Each shift will include a one-half hour meal period.

Employees in the following listed job classifications on January 1 of each year

DIVISION 16

will be granted a tool allowance applicable to their classification as follows:

Transportation Senior Hydraulic, Transportation Senior Mechanic, Transportation Senior Body Mechanic, Transportation Mechanic "A" and Transportation Mechanic "B"

Current	2001	2002	2003	2004	2005	2006
\$245	\$260	\$260	\$275	\$275	\$275	\$275

Exhibit "B"

Power Operations Team Guidelines

These guidelines were initially established for the implementation of Production and Support Teams in Power Operations. The guidelines were developed in a partnership of Union and Management, using the many ideas and suggestions that were provided through the participation of employees in the workshops, labs, pilots and rollouts. The initial guidelines were a starting point to begin building a new way of working together to achieve business goals. Contract language continues to apply unless modified in these guidelines. This revision was developed as a result of continued Union and Management partnership.

The guidelines were first implemented for the pilot at East Bend Station and were subject to change from our experiences as the implementation moved from station to station. These guidelines may occasionally change upon changing business needs and approval of Union and Management.

The input and suggestions from all employees are welcome and encouraged as the guidelines are implemented. The involvement of every Union and Management employee is critical to achieving continued success.

Teams

Production Team Staffing

1. In the event insufficient I&C and/or Maintenance skills exist on the Production Teams the expectation exists that these skills will be developed on the Production Teams in an expeditious manner. Employees possessing the sufficient skills will work on and with the Teams for their development. In order for this to occur, represented personnel possessing the skills will be assigned to the Teams on a rotational basis for up to three months at a time to perform on-the-job training. This will continue for a period of three years, or until such time the necessary skills transfer takes place. These training assignments will be made "in plant", with everyone possessing Intermediate and above skill sets in Mechanical, Electrical, and Instrumentation and Control required to participate, as determined by the insufficient skill set. Flexibility should be given to personnel in these training assignments to pick their rotational assignment. However, if no agreement can be reached, assignments will be made beginning with the lowest classified seniority person first.

2. Any new hires, exempt employees returning to the bargaining unit, or those coming from outside of Power Operations and System Resources, will start on the Production Team.
3. Job postings for Production Teams will be in-plant first, then within the Department, then within Re-deployment, and then Company wide. Every effort will be made to staff Teams on a voluntary basis. Any employee entering the Production Team job sequence during the initial Team staffing at a station was exempt from taking the combined POSS/MASS test battery. Any employee who has previously been in the former Operations job sequence or Maintenance (Electrical, Mechanical or I & C) job sequence is exempt from taking the combined POSS/MASS test battery. Any others (internal or external) are required to successfully complete the combined POSS/MASS test battery prior to entering the Production Team job sequence.
4. Non-Power Operations personnel must first pass a combination of the POSS/MASS testing batteries to meet the minimum qualifications for the Production Team Member. Filling of positions for those outside of Power Operations will be

according to the Pool letter that currently exists. The present Team Members and Team Consultants will have the opportunity to interview any candidates and offer recommendations for hiring.

5. In the case where a qualified person from one plant bids onto a Production Team at another plant, the census at the two plants will change. Management and Union representatives will review the effects and resolve any potential staffing issues.

6. All Team Members will select an Advanced skill set in one discipline, as well as qualifying to the Intermediate skill set level in the remaining disciplines. A continuing education and skill maintenance system will be in effect for all personnel in the pay for skill model. The Skill Maintenance System is designed to assist Team Members in further developing, refining, and maintaining their skill bases, to insure that Cinergy employees continue as the best in class, high value added supplier of services. It is not the purpose of the Skills Maintenance System to remove or reduce compensation earned in the Skills Acquisition Program. If Team Members are unsuccessful at maintaining the skills required for their position, an

action plan of additional training and work exposure will be implemented to re-gain the skills.

7. Equal opportunity policies of the company will apply to the selection process.

Support Teams Staffing

1. Job postings for Support Teams will be in-plant first, then within the Department, then within the Pool, and then Company wide. Any employee entering the Maintenance Services Support Team job sequence during the initial Team staffing at a station was exempt from taking the MASS test battery. Any employee who has previously been in the former Maintenance (Electrical, Mechanical, or I & C) job sequence is exempt from taking the MASS test battery. Any others (internal or external) are required to successfully complete the MASS test battery prior to entering the Maintenance Services Team job sequence.
2. Those employees remaining in the Maintenance Services or Material Services Teams are in a pay for skill profile requiring multiple skills to obtain wage increases and bonuses. Employees not in the Maintenance Services or Material

Services pay for skill profile, remain in their former classification based seniority, and are not in a pay for skill model at this time. Any changes to the present design must be firmly supported by a tangible business case demonstrating positive financial impact to the corporation and must be agreed upon by both Union and Management.

3. Using the Cinergy Skill Qualification Process developed for the flexible multi-skilled worker concept, all Support Team Maintenance Services and Material Services personnel, with the exception of the Hoist Fleet Operator position, will have the opportunity to obtain the skills necessary to progress to their respective skill profile's maximum wage rate and bonus. Maintenance Services Team Members may choose the discipline in which they prefer to achieve their Advanced Level Skill Set, and will also obtain the Intermediate Level Skill Sets in the remaining disciplines.
4. The top wage rate for Maintenance Services Team Member is established equivalent to the former top wage rate of Maintenance First Class Repairer and Instrument and Control Technician I. The Material Services Team Members may

progress to the former AFO rate of pay for all stations, excluding East Bend. The East Bend Material Services Team Members may progress to the former Senior Landfill Operator wage rate. All Material Services Team Members must successfully demonstrate the multiple skills to qualify for the wage increases. Maintenance Services and Material Services Team Members who are in the pay for skill profile and successfully complete the skill set will be compensated as described in Attachment C.

5. Support Team personnel are expected to travel to other plants as plant work loads dictate and availability exists. The travel assignments will be in accordance with the present 1347 collective bargaining agreement.
6. When Support Team Members are being utilized as a shared service they will be given notice to report to the new work location based on the change of schedule guidelines in the present 1347 collective bargaining agreement. There may be a situation at their home station which requires additional resources. If the employees are required to return to their normal work location ahead of the previously established schedule, the same

guidelines for the change of schedule above will be utilized. (Presently this is not less than forty-eight hour notice.)

7. A continuing education and skill maintenance system will be in effect for all personnel in the pay for skill model. This Skill Maintenance System is designed to assist Team Members in further developing, refining, and maintaining their skills, to insure that Cinergy employees continue as the best in class, high value added supplier of services. It is not the purpose of the Skills Maintenance System to remove or reduce compensation earned in the Skills Acquisition Program. If Team Members are unsuccessful at maintaining the skills required for their position, an action plan of additional training and work exposure will be implemented to re-gain the skills.
8. For the certified welding skill base for Production Teams and Support Teams, the guidelines of how this will be administered are included in Appendix B.

Skills Acquisition and Compensation Process

1. Point System

Development of flexible, multi-discipline Team Members in the Cinergy Qualification Process will be tracked by a point system. The point system design is based on assigning each Duty Area in the qualification handbook a given point value. Each handbook and the point values will be unique to the station. Compensation, including bonuses, is based on a pre-determined total of points.

A tracking tool will be implemented to track each Team Member's progress by the Group Leaders in the program monthly. This tracking tool will ensure that the necessary points and skills are being acquired. The Point System allows Team Members the flexibility to choose their own skills acquisition path based upon Team needs (see attachment C).

2. Alternate Career Path

Employee's may qualify and choose an alternate career path due to previous work history and experience based on the criteria listed below. These employees are

still expected to act as flexible workers and are required to participate in the Skills Acquisition Process as validators, trainers and PQS's.

GROUP A: A Team Member who is age 50 or has a combined age and years of service that is equal to or above 72 on or before July 31, 1998 is fully exempt from the written and performance testing for the multi-skilled worker.

GROUP B: A Team Member who is age 45 or has a combined age and years of services that is equal to or above 67 on or before July 31, 1998 is partially exempt. Employees in this category are required to acquire the Two Year Point Total, but are not required to acquire the Later Points in their pay for skill model.

Employees in group A or B can acquire at their option additional points. If a employees choose to do this they will receive additional compensation (See attachment C).

Apprenticeship Program

In 1998 an apprenticeship Program will be developed for new hires in the Pay for Skill Model by a Union and Management Team.

Bidding Between Production and Support Teams

- 1. Personnel have the option to bid between Production and Support Teams when such openings are available. Any initial wage rate increase associated with their original bidding or placement on a Production Team will be lost by a Team Member returning to a Support Team position. Departing Production Team Members may be required to continue on their job in order to maintain the continuity of the Team until those positions are filled.**
- 2. For an inter-Team bid and placement to occur, a vacancy must exist, the candidates must be qualified, and the departing Production Team Member must be replaced by a qualified person, possessing the necessary skills to properly and effectively replace the Team Member. Production Team Members may not be permitted to assume the new position if absence from the Production Team will negatively impact the operation and maintenance of the station, or they do not possess the necessary skills to be effective on the respective Support Team. This is especially applicable to Team Members with only the Operations skill base. If the departing Team Member is**

from the former Operator classification, and has not developed non-operating skill sets, wage rate adjustments will apply (see paragraph 4). The release of employees from existing positions to the new positions will be in a mutually agreed time frame.

3. Support Team Members will be given preference for any Production Team job openings.
4. When bidding off a Production Team, the bidder's pay will be reduced by \$0.50 or to the top rate of the Support Team whichever is less. If they do not meet the requirements of the Support Team position they are moving into they will have a pre-determined time frame to acquire these skills. If they fail to acquire these skills in the pre-determined time frame, a new wage rate will be negotiated and established based on their relative acquired skill level in the Skill Profile they are entering. If the new position on the Support Team is not applicable to the pay for skill model, then they shall maintain the red-circled rate and be subject to the appropriate job summary or profile.
5. For Support Team vacancies, it is understood that any new hires will start

on the Production Team and a Production Team Member will fill the Support Team vacancy through the job posting process. The remaining most senior "forced" Production Team Member willing to exit the Production Team will be awarded the position. Absent any remaining "forced" personnel on the Production Teams, the position will be filled by the most senior qualified Team Member on the Production Team, with the described wage rate adjustments applying. If no bids are received from Production Team Members, the position will be filled directly to the Support Team from external applicants.

6. Production Team and Support Team voluntary trades will be considered on a case by case basis. These trades should be approved provided no adverse impact through the loss of skills to either Team is encountered. If and when these trades take place the traders must remain in the job for three years.

Bidding Between Plants

1. Inter-plant bidding will be allowed. There are no "bumping" rights. If an opening exists, and no one at the plant bids, and/or meets the minimum requirements, the opening will be posted department-

wide and then company-wide. If more than one bidder meets the minimum requirements, the bidder with the highest Power Operations seniority will be awarded the position.

2. In the event that no bidders meet the Skill Profile requirements of the position, the job may be awarded to a bidder of lesser skills, provided the applicant agrees to acquire and demonstrate they have the skills for the position within a mutually agreed upon time frame. The employee will demonstrate the skills by completing the appropriate Cinergy Skills Qualification Process for their respective job. Failure to achieve these skills in the agreed upon time frame will be handled on a case by case basis.
3. For personnel moving from a Support Team to a Production Team, they will receive a 5% increase in wage rate, but no more than the maximum wage rate of the top Production Team Member pay.
4. Qualifications being sufficient, preference will be given to the person with the most Power Operations seniority.

Team Rules / Guidelines

Team Leaders

- 1. The Team Leaders will be selected from the represented Team Members. The Team Leader role is expected to rotate periodically among the Team Members to allow for continued development of leadership roles within the Team. The Team Leader should stay in the job long enough to establish continuity and become proficient at the job. The Team will have input on the proper rotation frequency. Team Leaders will receive feedback from the Group Leaders, Team Consultants, and other Team Members as it relates to their Team duties. Overall job performance evaluation of Team Leaders will continue to be conducted by the Team Consultant with input from the Group Leaders.**
- 2. Everyone on the Team is encouraged to become a Team Leader at some time, although no one will be forced. The company encourages responsible risk-taking from its employees. It is anticipated that Teams may make some mistakes in their development. It is expected that the Teams will learn from these errors and incorporate their learning's to avoid repeating them.**

3. In the Team Management system Teams are expected to resolve most Team issues. Matters involving discipline will be handled by management personnel. The Team Leader does not discipline Team Members.
4. Consistent with past practices for orderly transition of shifts, arriving Production Team Leaders may report $\frac{1}{4}$ hour early each day to consult with the on-duty Production Team Leaders. It is expected that this transition should be accomplished in less than $\frac{1}{4}$ hour, for which overtime will be paid. In the event that unit conditions or project activities require more than $\frac{1}{4}$ hour, the Team Leader should be paid appropriate overtime. It is expected that this applies to Production Teams only, not Support Teams. However, in the event that it is necessary for Support Team Leaders to report prior to the start of the shift they will receive the appropriate pay. Team Members will also need to meet together at the beginning of each shift. A one-on-one shift relief procedure will be established by the Teams for Team Member transition on a straight time basis.

5. Production and Support Team Leader duties include, but are not limited to, the following:

- Facilitate regular Team meetings to:
 - a) Discuss who will be doing what,
 - b) Make plans with Team help to fill vacancies in the most economical manner,
 - c) Get updates from KFA's ,
 - d) Interface with the Team Consultant on any problems, questions, or needs.
- Brief the relieving Team Leader,
- Perform daily work assignments,
- Communicate routinely with Group Leaders,
- Facilitate Team problem-solving / decision-making,
- Coach / counsel other Team Members as appropriate,
- Work with the Team Consultant and balance of management to help transfer the appropriate management roles to the Team and provide leadership skills in transitioning the Team to the Team Management System.

Team Performance Guidelines

- 1. Production Teams will work a schedule (that makes business sense) to provide coverage 24 hours per day, seven days per week . Flexibility will be maintained so that the Teams can work out whatever rotation allows them to accomplish their tasks, as long as coverage is maintained within the business demands of the station and corporation. All schedules will need to be approved by a joint Union and Management Leadership Team.**
- 2. The Support Teams are responsible for providing support services to the Production Teams. In order to meet the needs of the Production Teams, Support Teams will work rotating shifts as needed.**
- 3. When a temporary vacancy exists on a Production Team, that Team will decide the appropriate course of action. (In some cases it is not possible to get the Team together in a timely fashion so the Team Leader and Team Consultant will need to address the vacancy) Options will include changes of schedule, working overtime, or not filling the vacancy at all, depending on the work load. The Production Team Group Leaders will decide whether they will go outside the Team to request**

Support Team assistance, or implement schedule changes.

- 4. Team Members who are not Team Leaders are requested to assume, but are not limited to, the KFA duties below. In the event that there are no volunteers these duties will be assigned. These will rotate on an annual basis.**

- **Permits & Inspections (burning and welding, agency notifications)**
- **Safety (switching & tagging, safety meetings)**
- **Quality (prioritize Support Team activities)**
- **Personnel / Administrative (interface with office, scheduling and relief for vacations, performance review scheduling and overtime)**
- **Training (monitor training needs for Team Members, scheduling mandatory training, first aid, confined space, fire brigade, etc.)**
- **Materials & Supplies (outage planning, CMMS responsibility)**
- **Predictive Maintenance (procedures and tracking)**

- 5. Management and Union leadership empower and encourage Team Members to resolve any problems or disputes**

internally that may arise. However, this does not diminish the rights of either the Management or the Union under the collective bargaining agreement, nor does it intend to alter or amend the parties' existing grievance procedure.

6. A Team Consultant will be assigned to each Team. The Team Consultants and Plant Specialists are responsible for, but not limited to, the following duties.
- Providing resources (training material, assist with parts and supplies)
 - Making emergency decisions if the safety, of personnel, the environment, or the station assets are in jeopardy
 - Coaching and counseling
 - Paperwork, reports, performance statistics, etc. not part of the Team Management System
 - Handling discipline as required
 - Continuous discussions about Team health and career guidance, etc.
 - Provide technical advice and assistance
 - Assisting with on-the-job training
 - Transferring their old roles to the KFAs and incorporate the Team Management System

It is expected that as emergency conditions arise, the Team will look to the Team Consultant for assistance. As time goes on, the Team will handle these situations on their own.

7. With the implementation of the new Skill Qualification Process, it is the responsibility of both the Union and Management Team Members to accomplish this transfer to a multi-skilled work force while still managing the operation and maintenance of the Station. Union and Management support is essential to this process.

Group Leaders

1. Bargaining Unit and Management Group Leaders are selected through a joint selection process. A Member of Management, the Union, and Human Resources Specialist will conduct the selection process.
2. Bargaining Unit Group Leaders will receive an additional \$1/hour above the top Production Team Member wage rate when selected as Group Leaders. This will be utilized until such time as a wage rate can be established by the parties. The

represented Group Leaders may work overtime in their respective skill disciplines in cases of emergencies, mandatory overtime for all Team Members, or in cases of "forcing" other Team Members. This list is not all inclusive.

3. Group Leaders will receive performance reviews with input from Management, Union leadership, and the Team on a regular basis.
4. Union Group Leaders will pick their discipline and initially slot in a discipline at the same time as the plant employees that are in the pay for skill model.
5. The Management and Bargaining Unit Group Leaders' duties include, but are not limited to, the following:
 - Develop and provide business and people goals, long term strategies, and objectives to the Team (the Teams will use them to set their own goals)
 - Provide win-win problem resolutions
 - Provide performance data and feedback to the Teams
 - Provide direction to the Team Consultants and Team Leaders

- The Union Group Leader may still do hands-on work
- Investigate accidents and safety concerns
- Implement, support, and facilitate the Team Management System and model partnership behaviors
- Acquire core competencies, including but not limited to, leadership, business understanding and technical knowledge.

Seniority

1. Production and Support Team seniority will be maintained while employees are participating in the Team concept.
2. System seniority will be maintained as it is presently.
3. Classified seniority will be maintained in the employee's original classification and will continue to accrue after bidding to a Production Team. (This is for the purpose of layoffs or surplus of personnel. Union Group Leaders & Team Leaders fall under the same guidelines as all represented employees. In the event of a layoff or surplus, they fall back to their former classified seniority.)

4. In the unlikely and unforeseen event of a layoff, employees' seniority will be listed in their previously held classification with no break in seniority.
5. The October 11, 1996 contract letter will apply in the case of a declared surplus due to plant or unit shut down.
6. The Production and Support Teams vacations will be selected, as covered by existing contract language, based on system seniority within each individual Team. As long as business needs are met, Teams are responsible for vacation selection with input from the Group Leaders.

Attachments

- A: Fractional Slotting
- B: East Side Welding
- C: Point System

Attachment A

Fractional Slotting ("Grandfathering") of skills 6/2/97

Purpose

The purpose is to determine the objective methodology to employ for fractional grandfathering of skills within a discipline for the initial placement and assessment of skills. The wholesale skill base grandfathering is agreed upon by the Steering Committee and is defined within the Qualification Guidebook. Those former job classifications used for whole skill grandfathering are all inclusive of the relative skills within the new definitions.

Initial Slotting

All existing employees will be initially slotted into the Qualification Program based on their previous job category or discipline and the position or classification they held in that category. They will not be required to test for qualification in the Duty Areas contained in or below the Skill Set into which they are slotted. The Qualification Handbook contains a slotting chart indicating the *initial position for each former classification*. No pay adjustment will be made based on this initial slotting.

Fractional Slotting Process

Recognizing that employees can also have unique circumstances in their employment background that may warrant fractional "grandfathering" in some Duty Areas within a Skill Set, without being fully qualified in that Skill Set, a process for requesting "fractional slotting" is available. The process listed below will guide the employee in the application for this Fractional Slotting. The basis for the program is that the employee assumes the responsibility and must request and present valid and objective information supporting their petition for the Fractional Slotting to be approved.

Application and Review Process

1) Initiate Request

The employee will initiate the request for consideration of Fractional Slotting in a Duty Area by presenting a written formal request for review of their specific skill base. This request must include the supporting documentation validating their fractional skill assessment, and be provided to the Review Committee. Consideration for fractional assessment

will only be reviewed within their former discipline, unless they have documented, formal working experience in the other disciplines. The requests will be processed on a first come, first serve basis, dependent on the availability of committee Members. Request for Fractional Slotting should be made on a Duty Area level. Request for partial

Duty Area Fractional Slotting are discouraged, but will be reviewed on a case by case basis. In most cases, partial Duty Area Slotting will have no affect on the skill testing of the individual. If a full Skill Set is achieved by Fractional Slotting, the Qualification testing process, or a combination of the two, the Team Member will be compensated as agreed to in the Pay for Skill Model.

2) Review Committee

The Review Committee will be formed by:

- One station specific, represented employee, Subject Matter Expert (GLs selected)
- One Power Services Employee Development Specialist
- A Station Manager, or manager designee

- A Facilitator from Change Management (nonvoting)

The committee will review the request and accompanying documentation and based on the objective comparison to the Duty Area tasks, and determine whether Fractional Slotting is warranted. An employee interview is optional, but will be required prior to any rejected request. Employees may waive the interview at any time.

3) Supporting Documentation

The documentation that will be necessary to support the request is dependent on the Duty Area being petitioned. It should include but is not limited to the following:

- The Qualification Guidebook tasks checked off for that Duty Area.
- Temporary promotion time and JR # and what tasks were performed.
- Former Job Duty Checklist of approved tasks qualification.
- Training records or education certificates or diplomas.
- Former direct supervisory letters of recommendation.
- Previous job classification other than most recent.
- Previous employment information.

Upon review, and subsequent approval of the request by the Review Committee for Fractional Slotting, the employee will be placed into the Duty Area approved and will not be required to take any qualification tests associated with that Duty Area. If all of the Duty Areas of a Skill Set are approved, then the employee will be granted Fractional Slotted within that Skill Set.

Employees will be expected to perform any task that they possess the skills to accomplish. Any task they performed in their previous job category, or any task within a Duty Area in which they have received initial slotting or fractional slotting, they will be expected to perform with out temporary upgrade pay. Temporary upgrade pay for all other task will be phased out as agreed upon in the Temporary Upgrade Pay Policy.

There will be a joint Union/Management Team formed in one year to review the Fractional slotting process. At this point the Team will determine if the fractional slotting should be continued.

Skill Development for non-Slotted employees

The employees not receiving Intermediate or Advanced Initial or Fractional Slotting will receive developmental assistance in the

Qualification process. This applies primarily to the former Maintenance Third Class Repairer, the former Operations Assistant Auxiliary Operator, and the former Instrumentation and Control Technician III who have been unsuccessful in obtaining Fractional Slotting. This same structure should apply to all employees, but is emphasized with this group due to their current skill and wage levels.

The Power Services Employee Development Specialists will work jointly with the respective Group Leaders, Team Consultants, Team Leader, and the Team's training Key Functional Area representatives to meet with the employee to develop an action plan for the acquisition of skills. The action plan will be based on the Qualification Guidebook content; and will consist of work assignment opportunities, cross-functional training strategies, curriculum availability, and the Team Consultants or Plant Specialists educational coaching and training sessions. The employee, Employee Development Specialist and Training Key Function Area point person are responsible to create the action plan with assistance from these mentioned groups and individuals. The action plan must incorporate the other business demands to maintain a constructive balance within the every day work environment.

Attachment B

EAST WELDING SKILL AGREEMENT **WITHIN THE HOLISTIC PAY FOR SKILL** **MODEL**

Multi-Skilled Worker Welding

The following elements of the welding skills Duty Area will be put in place when the multi-skilled work force is established:

- 1) All welding done at ECBU Plants by 1347 represented employees will be done by Qualified welders.
- 2) The welding skills will be divided into two general categories; General and Certified welding. The General welding tasks will require intermediate level skills while the Certified welding tasks will require advanced level skills.
- 3) The Welding skills will be a Duty Area of the Support Team Maintenance Services and the Production Team in the Mechanical discipline.
- 4) Support Team Maintenance Services and Production Team Members are

required to Qualify in the General welding tasks.

- 5) The Advanced sections of Cutting and Welding Duty Area are a requirement of the Advanced Mechanical Maintenance Skill Set, however, it will be optional, such that it will be available to all other Team Members, at their choice and the Station's approval, on the Support or Production Teams, regardless of their selected/current Skill Set. Additionally, for existing IBEW 1347 employees, as of May 1, 1997, it will not be required to complete the Advanced sections of this optional Duty Area to qualify in the Advanced Skill Set of Mechanical Maintenance in the pay for skill model.
- 6) To Qualify in Cutting and General welding the employee will be required to pass a written test and up to four performance demonstrations conducted by the Technical Programs group. To complete Certified welding requirements the employee will need to pass up to three written tests and twelve performance demonstrations conducted by the Technical Programs group.

- 7) When an IBEW 1347 employee has been successfully Certified in the Pressure welding and Boiler Tube tasks, they will receive additional compensation in the form of a welding differential (see 1347 Welding Differential, next page). This differential will be added to their current pay level when they are performing the actual Certified Pressure welding or Boiler Tube tasks.

- 8) Once a Team Member has Certified in Advanced welding tasks they will be required to maintain their Certification by welding or demonstration testing every 6 months to retain their Certified status. If a Team Members initially completed this Advanced Duty Area as an option (see #5 above), rather than as a requirement of their Advanced discipline, they retain the option to re-certify, as long as business needs are being met.

- 9) Preference should be given to utilizing available Support Team Certified welders, for pressure piping welding, before a Production Team Certified welder is used to make a certified weld. However, if the use of the Production Team Certified welder will

eliminate the requirement to pay overtime compensation, premium pay, or other additional costs, they can and should be utilized to perform the welding.

10) A Union/Management Team will address the total number of Certified welders that will be maintained. An initial limit will not be put on how many of these welders may exist at any one time. However, this will be continually reviewed to assess quality control, training requirements, skill maintenance requirements, and overall value added. As such, the total number of Certified welders may be limited if the concerns above are negatively impacted.

11) The existing IBEW 1347 Certified Welders wages will be grandfathered and they will pick vacation within their Teams.

Existing IBEW 1347 Certified Welders

Existing IBEW 1347 employees that are in the Certified Welder Classification on May 1, 1997 will be initially Slotted in the Advanced Mechanical discipline of the Qualification

Program and may remain as Certified Pressure Piping welders at their option.

These current Certified Welders will be grandfathered at their current pay level until they separate, transfer to a different job, or fail to maintain their certification.

If they fail to maintain their certification they will be red circled until the top wage of the multi-skill Support Team Maintenance Services Team Member equals or surpasses their existing pay level.

IBEW 1347 Welding Differential

Initially the new Welding Differential pay for IBEW 1347 employees will be equal to the differential between the employees present rate of pay and the current Certified Welding top wage rate. This Welding Differential will be paid in addition to the employees present wage, anytime they are being utilized to perform Certified welding.

Production Team and Support Team Maintenance Services Team Members that reach maximum pay for their respective multi-skilled pay for skill models, will still receive this differential above their existing wage rate.

Existing Certified Welders would be compensated at their existing, grandfathered, wage rate. They will receive no additional welding differential.

Additionally, an annual travel bonus, at a rate of \$2/hr, will be paid to all certified welders based on the differential between their travel hours and the travel hours of all Support Team Members who travel.

New Hires

Any new hires entering the Advanced Mechanical skills section of the pay for skill model of Support Team Maintenance Services or Production Team would be expected to achieve the Certified welding as a required skill. This requirement may be adjusted over time to maintain the number of certified welders required to meet the needs of the Business Unit.

Attachment C

Skills Qualification Point System

In order to allow for more flexible navigation through the Skills Qualification Program, a Skills Acquisition Point System has been developed. Originally, the movement through the Pay For Skill Models were based

on Skill Set acquisition. The Point System allows a Team Member or Trainee to move through the Pay for Skill Models without requiring complete acquisition of a Skill Set to trigger compensation adjustments. Instead, Team Members earn points for each Duty Area completed, regardless of discipline, thereby obtaining increased compensation while acquiring cross discipline skills.

The following steps were used in the development of a Point System:

1. Each Duty Area, in each Stations customized Skills Qualification Handbook, was assigned a point value based on criticality, difficulty and importance to the Station.
2. An estimated acquisition time (in calendar days) was assigned to each Duty Area in the Skills Qualification Handbooks. (An example would be the Ash Handling System which has an estimated 14 calendar days window to acquire the knowledge and skills. This does not mean it will take 14 days, 8 hours a day to complete this learning, but that

it can be accomplished in this window)

3. Each job category (discipline & past position level) was assigned a "Total Points" number based on the points that would be obtained in acquiring all the Duty Areas in their complete Pay For Skill Model.(Refer to attached Single Unit example Chart)
4. Initial Slotting was then applied to the job category. The Initial Slotting point value was subtracted from the Total Points to obtain the "Needed Points" total.
5. The "Needed Points" Duty Areas are sorted first by longest acquisition time (worst case for acquisition) and then by the highest point value (best case for acquisition). Each sort is reviewed to obtain the point totals at the 730 calendar day level. The mean between these two point values is used as the "Two Year Points" total.

6. An estimate of Fractional Slotting potential is then applied to the "Needed Points" Duty Areas. These Fractional Slotting points are added the "Two Year Points" total to obtain the "Total Points to Top Pay" total. If There is no actual Fractional Slotting points acquired by the Team Member the "Total Points to Top Pay" is equal to the "Two Year Points" total. This will ensure Team Members are compensated for Fractional Slotting while still assuring each employee has an individualized "Total Points to Top Pay" level.
7. The "Two Year Points" and the Fractional Slotting Points are subtracted from the "Needed Points" to obtain the "Points Later" total.
8. The "Total Points to Top Pay" is then divided by four to obtain the point levels that trigger compensation adjustments in the Pay For Skill Models.

Attachment C
Skills Qualification Point System
Example Point System Chart

DISCIPLINE	TOTAL Pts.	NEEDED Pts.	FS Pts.	2 Year Points
CO	1728	951	0	631
AO	1728	1151	50	736
AAO	1728	1688	433	721
SCR	1728	1151	0	736
SLFIX	1728	1688	144	721
SLKR	1728	1688	144	721
IC1	1728	1298	97	656
IC2	1728	1498	197	686
IC3	1728	1688	211	664
ME1	1728	1139	249	663
ME2	1728	1339	349	798
ME3	1728	1688	361	759
MD1	1728	1196	97	711
MD2	1728	1396	247	746
MD3	1728	1688	288	749
IC1 ST	1151	721	97	639
IC2 ST	1151	921	197	642
IC3 ST	1151	1111	211	636
ME1 ST	1151	562	249	562
ME2 ST	1151	762	349	698
ME3 ST	1151	1111	361	751
MD1 ST	1151	619	97	642
MD2 ST	1151	819	247	722
MD3 ST	1151	1111	288	751

CONTINUED

CONTINUED

Pts To Full \$	4 Step Pts	Wage Incr./Step	Bonus per Step	Pts Later (\$1000 Bonus)
631	158	0	\$500	320
786	197	to top 1 st step	\$500	365
1154	288	25% \$ to top	0	534
736	184	25% \$ to top	0	415
865	216	25% \$ to top	0	823
865	216	25% \$ to top	0	823
753	188	to top 1 st step	\$500	545
883	221	25% \$ to top	0	615
875	219	25% \$ to top	0	813
912	228	to top 1 st step	\$500	228
1147	287	25% \$ to top	0	193
1119	280	25% \$ to top	0	569
808	202	to top 1 st step	\$500	388
993	248	25% \$ to top	0	403
1036	259	25% \$ to top	0	652
736	184	to top 1 st step	\$500	-15
839	210	25% \$ to top	0	82
847	212	25% \$ to top	0	264
811	203	to top 1 st step	\$500	-249
1047	262	25% \$ to top	0	-285
1112	278	25% \$ to top	0	-1
739	185	to top 1 st step	\$500	-120
969	242	25% \$ to top	0	-150
1039	260	25% \$ to top	0	72

- **Total Points = points for the Duty Areas in the station specific Handbook.**
- **Needed Points = Total Points - Initial Slotting**
- **Fractional Slotting Points = Points estimated to be obtainable through FS process**
- **2 Year Points = Points agreed upon to be obtainable in two years from implementation.**
- **Points to full dollars = FS Points + 2 Year Points**
- **Steps for \$ = Points to full \$ divided by 4**
- **Later Points = Points to obtained after reaching top pay.**

Compensation Progression

The compensation trigger points discussed on the previous page will either result in hourly wage adjustments or bonus payouts, depending on the Team Member's position relative to top pay. The far right columns indicate what these adjustments will be.

Administration

As well as being used to trigger compensation adjustments, the points assigned to The Duty Areas will be used to help each Team Member monitor their successful progress through the

Skills Acquisition Program. This tracking program will be administered as follows:

1. An average number of annual points will be earned by each Team Member.
2. This average point total will be determined by dividing the "Needed Points" total for each Team Member by five years. **(THIS IS NOT TO IMPLY A FIVE YEAR UP OR OUT PROGRAM FOR THE EXISTING WORK FORCE)**
3. It is expected that, as designed, the Skills Qualification Program can be accomplished in five years. Union and Management Group Leads will monitor each Team Member's progress monthly, so that problems with skills acquisition can be identified in a timely manner. Group Leaders assistance and/or coaching and counseling will be used to resolve failure to obtain the Skills in the expected time frame. If these problems are due to inaccurate time estimates in the design or unavailable testing tools, adjustments can and will be made to the employees Skills Acquisition Plan.
4. During the transition from present state to the fully developed multi-skilled

work force, problems may be encountered. If employees aren't keeping pace, or if the company isn't providing needed training opportunities or testing as scheduled, or if time estimates discussed above are off, Management and Union will work together to resolve the issue. Compensation won't be unduly withheld. These situations will be handled on a case by case basis.

5. It is required for all nonexempt Team Members in the Pay For Skill Model to complete the Skills Qualification Program. If warranted, Management will utilize progressive and constructive discipline for failure to participate in the Skills Qualification Program.

Qualification Issues and Review Committee **(QUIRC)**

A Qualification Issues Review Committee has been formed to monitor and, if required, make adjustments to the Qualification program. This committee is tasked with maintaining a continuous development of the flexible, multi-disciplined work force and making recommendations for program enhancements to the Steering Committee. Members of the committee include management and union

Group Leads along with Members of the Employee Development Team and Qualification Program development Team.

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