

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF THE ADJUSTMENT  
OF ELECTRIC RATES OF DUKE ENERGY KENTUCKY, INC.

CASE NO. 2017-00321

FILING REQUIREMENTS

**VOLUME 18**

**Duke Energy Kentucky, Inc.**  
**Case No. 2017-00321**  
**Forecasted Test Period Filing Requirements**  
**Table of Contents**

<b>Vol. #</b>	<b>Tab #</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness</b>
1	1	KRS 278.180	30 days' notice of rates to PSC.	James P. Henning
1	2	807 KAR 5:001 Section 7(1)	The original and 10 copies of application plus copy for anyone named as interested party.	James P. Henning
1	3	807 KAR 5:001 Section 12(2)	<p>(a) Amount and kinds of stock authorized.</p> <p>(b) Amount and kinds of stock issued and outstanding.</p> <p>(c) Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.</p> <p>(d) Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking fund provisions.</p> <p>(e) Amount of bonds authorized, and amount issued, giving the name of the public utility which issued the same, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.</p> <p>(f) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.</p> <p>(g) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.</p> <p>(h) Rate and amount of dividends paid during the five (5) previous fiscal years, and the amount of capital stock on which dividends were paid each year.</p>	John L. Sullivan, III
1	4	807 KAR 5:001 Section 12(2)(i)	Detailed income statement and balance sheet.	David L. Doss
1	5	807 KAR 5:001 Section 14(1)	Full name, mailing address, and electronic mail address of applicant and reference to the particular provision of law requiring PSC approval.	James P. Henning

**Duke Energy Kentucky, Inc.**  
**Case No. 2017-00321**  
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<b>Vol. #</b>	<b>Tab #</b>	<b>Filing Requirement</b>	<b>Description</b>	<b>Sponsoring Witness</b>
1	6	807 KAR 5:001 Section 14(2)	If a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state if it is authorized to transact business in Kentucky.	James P. Henning
1	7	807 KAR 5:001 Section 14(3)	If a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state if it is authorized to transact business in Kentucky.	James P. Henning
1	8	807 KAR 5:001 Section 14(4)	If the applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, if any, shall be annexed to the application, or a written statement attesting that its partnership agreement and all amendments have been filed with the commission in a prior proceeding and referencing the case number of the prior proceeding.	James P. Henning
1	9	807 KAR 5:001 Section 16 (1)(b)(1)	Reason adjustment is required.	James P. Henning William Don Wathen, Jr.
1	10	807 KAR 5:001 Section 16 (1)(b)(2)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	James P. Henning
1	11	807 KAR 5:001 Section 16 (1)(b)(3)	New or revised tariff sheets, if applicable in a format that complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed	Bruce L. Sailors
1	12	807 KAR 5:001 Section 16 (1)(b)(4)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Bruce L. Sailors
1	13	807 KAR 5:001 Section 16 (1)(b)(5)	A statement that notice has been given in compliance with Section 17 of this administrative regulation with a copy of the notice.	James P. Henning
1	14	807 KAR 5:001 Section 16(2)	If gross annual revenues exceed \$5,000,000, written notice of intent filed at least 30 days, but not more than 60 days prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	James P. Henning
1	15	807 KAR 5:001 Section 16(3)	Notice given pursuant to Section 17 of this administrative regulation shall satisfy the requirements of 807 KAR 5:051, Section 2.	James P. Henning

1	16	807 KAR 5:001 Section 16(6)(a)	The financial data for the forecasted period shall be presented in the form of pro forma adjustments to the base period.	Robert H. Pratt
1	17	807 KAR 5:001 Section 16(6)(b)	Forecasted adjustments shall be limited to the twelve (12) months immediately following the suspension period.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt
1	18	807 KAR 5:001 Section 16(6)(c)	Capitalization and net investment rate base shall be based on a thirteen (13) month average for the forecasted period.	Sarah E. Lawler
1	19	807 KAR 5:001 Section 16(6)(d)	After an application based on a forecasted test period is filed, there shall be no revisions to the forecast, except for the correction of mathematical errors, unless the revisions reflect statutory or regulatory enactments that could not, with reasonable diligence, have been included in the forecast on the date it was filed. There shall be no revisions filed within thirty (30) days of a scheduled hearing on the rate application.	Robert H. Pratt
1	20	807 KAR 5:001 Section 16(6)(e)	The commission may require the utility to prepare an alternative forecast based on a reasonable number of changes in the variables, assumptions, and other factors used as the basis for the utility's forecast.	Robert H. Pratt
1	21	807 KAR 5:001 Section 16(6)(f)	The utility shall provide a reconciliation of the rate base and capital used to determine its revenue requirements.	Sarah E. Lawler
1	22	807 KAR 5:001 Section 16(7)(a)	Prepared testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program.	All Witnesses
1	23	807 KAR 5:001 Section 16(7)(b)	Most recent capital construction budget containing at minimum 3 year forecast of construction expenditures.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	24	807 KAR 5:001 Section 16(7)(c)	Complete description, which may be in prefiled testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported.	Robert H. Pratt
1	25	807 KAR 5:001 Section 16(7)(d)	Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period.	Robert H. Pratt
1	26	807 KAR 5:001 Section 16(7)(e)	Attestation signed by utility's chief officer in charge of Kentucky operations providing: 1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and 2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and 3. That productivity and efficiency gains are included in the forecast.	James P. Henning

1	27	807 KAR 5:001 Section 16(7)(f)	For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed: 1. Date project began or estimated starting date; 2. Estimated completion date; 3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During construction ("AFUDC") or Interest During construction Credit; and 4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	28	807 KAR 5:001 Section 16(7)(g)	For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection.	Robert H. Pratt Joseph A. Miller Anthony J. Platz
1	29	807 KAR 5:001 Section 16(7)(h)	Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information: 1. Operating income statement (exclusive of dividends per share or earnings per share); 2. Balance sheet; 3. Statement of cash flows; 4. Revenue requirements necessary to support the forecasted rate of return; 5. Load forecast including energy and demand (electric); 6. Access line forecast (telephone); 7. Mix of generation (electric); 8. Mix of gas supply (gas); 9. Employee level; 10. Labor cost changes; 11. Capital structure requirements; 12. Rate base; 13. Gallons of water projected to be sold (water); 14. Customer forecast (gas, water); 15. MCF sales forecasts (gas); 16. Toll and access forecast of number of calls and number of minutes (telephone); and 17. A detailed explanation of any other information provided.	Robert H. Pratt John Verderame John L. Sullivan, III Benjamin Passty
1	30	807 KAR 5:001 Section 16(7)(i)	Most recent FERC or FCC audit reports.	David L. Doss
2	31	807 KAR 5:001 Section 16(7)(j)	Prospectuses of most recent stock or bond offerings.	John L. Sullivan, III
2	32	807 KAR 5:001 Section 16(7)(k)	Most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	David L. Doss
3-4	33	807 KAR 5:001 Section 16(7)(l)	Annual report to shareholders or members and statistical supplements for the most recent 2 years prior to application filing date.	John L. Sullivan, III
5	34	807 KAR 5:001 Section 16(7)(m)	Current chart of accounts if more detailed than Uniform System of Accounts charts.	David L. Doss
5	35	807 KAR 5:001 Section 16(7)(n)	Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast.	David L. Doss

5	36	807 KAR 5:001 Section 16(7)(o)	Complete monthly budget variance reports, with narrative explanations, for the 12 months prior to base period, each month of base period, and subsequent months, as available.	David L. Doss Robert H. Pratt
6-8	37	807 KAR 5:001 Section 16(7)(p)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued during prior 2 years and any Form 10-Qs issued during past 6 quarters.	David L. Doss
9	38	807 KAR 5:001 Section 16(7)(q)	Independent auditor's annual opinion report, with any written communication which indicates the existence of a material weakness in internal controls.	David L. Doss
9	39	807 KAR 5:001 Section 16(7)(r)	Quarterly reports to the stockholders for the most recent 5 quarters.	John L. Sullivan
9	40	807 KAR 5:001 Section 16(7)(s)	Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another PSC case, refer to that case's number and style.	John J. Spanos
9	41	807 KAR 5:001 Section 16(7)(t)	List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program	Sarah E. Lawler
9	42	807 KAR 5:001 Section 16(7)(u)	If utility had any amounts charged or allocated to it by affiliate or general or home office or paid any monies to affiliate or general or home office during the base period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment; 2. method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period; 3. Explain how allocator for both base and forecasted test period was determined; and 4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable.	Jeffrey R. Setser
10	43	807 KAR 5:001 Section 16(7)(v)	If gas, electric or water utility with annual gross revenues greater than \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period.	James E. Ziolkowski

11	44	807 KAR 5:001 Section 16(7)(w)	Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:  1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of services generating annual revenue greater than \$1,000,000 except local exchange access: a. Based on current and reliable data from single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles.	N/A
11	45	807 KAR 5:001 Section 16(8)(a)	Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase.	Sarah E. Lawler
11	46	807 KAR 5:001 Section 16(8)(b)	Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt Lisa M. Belluci James E. Ziolkowski David L. Doss
11	47	807 KAR 5:001 Section 16(8)(c)	Jurisdictional operating income summary for both base and forecasted periods with supporting schedules which provide breakdowns by major account group and by individual account.	Sarah E. Lawler
11	48	807 KAR 5:001 Section 16(8)(d)	Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors.	Sarah E. Lawler Cynthia S. Lee Robert H. Pratt James E. Ziolkowski
11	49	807 KAR 5:001 Section 16(8)(e)	Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes.	Lisa M. Bellucci
11	50	807 KAR 5:001 Section 16(8)(f)	Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases.	Sarah E. Lawler
11	51	807 KAR 5:001 Section 16(8)(g)	Analyses of payroll costs including schedules for wages and salaries, employee benefits, payroll taxes, straight time and overtime hours, and executive compensation by title.	Sarah E. Lawler Tom Silinski
11	52	807 KAR 5:001 Section 16(8)(h)	Computation of gross revenue conversion factor for forecasted period.	Sarah E. Lawler
11	53	807 KAR 5:001 Section 16(8)(i)	Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period.	David L. Doss Robert H. Pratt

11	54	807 KAR 5:001 Section 16(8)(j)	Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure.	John L. Sullivan, III
11	55	807 KAR 5:001 Section 16(8)(k)	Comparative financial data and earnings measures for the 10 most recent calendar years, base period, and forecast period.	Cynthia S. Lee Robert H. Pratt John L. Sullivan David L. Doss
11	56	807 KAR 5:001 Section 16(8)(l)	Narrative description and explanation of all proposed tariff changes.	Bruce L. Sailors
11	57	807 KAR 5:001 Section 16(8)(m)	Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes.	Bruce L. Sailors
11	58	807 KAR 5:001 Section 16(8)(n)	Typical bill comparison under present and proposed rates for all customer classes.	Bruce L. Sailors
11	59	807 KAR 5:001 Section 16(10)	Request for waivers from the requirements of this section shall include the specific reasons for the request. The commission shall grant the request upon good cause shown by the utility.	Legal
11	60	807 KAR 5:001 Section (17)(1)	(1) Public postings. (a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission. (b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites: 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available. (c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	James P. Henning



11	61	807 KAR 5:001 Section 17(2)	<p>(2) Customer Notice.</p> <p>(a) If a utility has twenty (20) or fewer customers, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.</p> <p>(b) If a utility has more than twenty (20) customers, it shall provide notice by:</p> <ol style="list-style-type: none"> <li>1. Including notice with customer bills mailed no later than the date the application is submitted to the commission;</li> <li>2. Mailing a written notice to each customer no later than the date the application is submitted to the commission;</li> <li>3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or</li> <li>4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission.</li> </ol> <p>(c) A utility that provides service in more than one (1) county may use a combination of the notice methods listed in paragraph (b) of this subsection.</p>	James P. Henning
11	62	807 KAR 5:001 Section 17(3)	<p>(3) Proof of Notice. A utility shall file with the commission no later than forty-five (45) days from the date the application was initially submitted to the commission:</p> <p>(a) If notice is mailed to its customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, that notice was mailed to all customers, and the date of the mailing;</p> <p>(b) If notice is published in a newspaper of general circulation in the utility's service area, an affidavit from the publisher verifying the contents of the notice, that the notice was published, and the dates of the notice's publication; or</p> <p>(c) If notice is published in a trade publication or newsletter delivered to all customers, an affidavit from an authorized representative of the utility verifying the contents of the notice, the mailing of the trade publication or newsletter, that notice was included in the publication or newsletter, and the date of mailing.</p>	James P. Henning

11	63	807 KAR 5:001 Section 17(4)	<p>(4) Notice Content. Each notice issued in accordance with this section shall contain:</p> <p>(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;</p> <p>(b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;</p> <p>(c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;</p> <p>(d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;</p> <p>(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);</p> <p>(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <a href="http://psc.ky.gov">http://psc.ky.gov</a>;</p> <p>(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;</p> <p>(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;</p> <p>(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and</p> <p>(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.</p>	Bruce L. Sailors
11	64	807 KAR 5:001 Section 17(5)	(5) Abbreviated form of notice. Upon written request, the commission may grant a utility permission to use an abbreviated form of published notice of the proposed rates, provided the notice includes a coupon that may be used to obtain all the required information.	N/A
12	-	807 KAR 5:001 Section 16(8)(a) through (k)	Schedule Book (Schedules A-K)	Various
13	-	807 KAR 5:001 Section 16(8)(l) through (n)	Schedule Book (Schedules L-N)	Bruce L. Sailors

14	-	-	Work papers	Various
15	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 1 of 6)	Various
16	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 2 of 6)	Various
17	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 3 of 6)	Various
18	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 4 of 6)	Various
19	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 5 of 6)	Various
20	-	807 KAR 5:001 Section 16(7)(a)	Testimony (Volume 6 of 6)	Various
20	-	KRS 278.2205(6)	Cost Allocation Manual	Legal

DIRECT TESTIMONY

THOMAS SILINSKI

continued...



# HISTORICAL SIDEBAR LETTERS 2015 – 2019

Between

Duke Energy Ohio, Inc.  
Duke Energy Kentucky, Inc.

and

Utility Workers Union of America,  
AFL-CIO, Local 600

## **Appendix A**

### **Historical Documents Preserved And Made A Part Of This Agreement For Interpretation And Application**

The index and marginal references in the Labor Agreement to documents in Appendix A are intended only for convenience in administering the Labor Agreement. The index and marginal references and Appendix A are not intended to list every document that could be applicable to any factual situation arising under a given Article or Section of the Labor Agreement. It is also not intended that each document referenced in an Article or Section will be applicable to any or all factual situations covered by the referenced Article or Section. No inferences, presumptions, or conclusions shall be drawn by the Company, the Union, or any arbitrator from the indexing of, a marginal reference to, or failure to reference any document listed in Appendix A.

## APPENDIX A

### HISTORICAL DOCUMENTS PRESERVED AND MADE PART OF THIS AGREEMENT FOR INTERPRETATION AND APPLICATION INDEX BY DOCUMENT NUMBER

Document Number	Document Date	Article	Subject
A-1	12/22/1971	IX, 5(c)	Vacation Selection
A-2	07/16/1974	V, 4(b)	Inter-Department Transfers
A-3	03/28/1977	V, 2(c)	Multiple Posting System in Property Department
A-4	03/28/1977	V, 3(d)	Testing Procedures When Employees Promote
A-5	04/13/2012	IX, 4	Leaves of Absence
A-6	04/18/1989	V, 6	Hiring Co-ops – Union Notification
A-8	04/13/2012	IX, 5(c)	Partial Day Vacation Administration
A-9	04/18/1989	I, 2(c)	Falsification and Tampering with Company Records
A-11	04/16/1992	XI, 1(d)	Holiday Call-Out
A-12	04/16/1992	XII, 2(a)	Flextime
A-13	04/16/1992	XII, 3(b)	24 Hour Notice – Change of Shift
A-14	04/16/1992	I, 1(a)	Reorganization of Distribution Operations Division
A-15	04/16/1992	XVI, 2(b)	Out-of-Town Work or Training
A-17	04/13/2012	XII, 2(a)	Four 10-Hour Day Guidelines
A-18	04/16/1992	VII, 1(a)	Personal Attorneys
A-20	07/19/1994	V, 2(e)	Gas Operations Trainer
A-21	01/11/1998	V, 2(e) VIII, 1(a) VIII, 1(i)	Customer Projects Resource Specialist
A-32	04/14/2015	II, 1 III, 1(b) VII, 1(a)	Time Off for Union Duties/Business
A-38	09/02/1998	VIII, 1(i)	BOGAR Job Evaluation System
A-40	12/29/2000	VIII, 1(e) VIII, 1(h) VIII, 1(i)	Manual, Clerical and Technical Job Classifications
A-41	05/14/2003	VIII, 1(i)	Disconnect Non-Pay, Succession and Special Reads
A-42	06/10/2004	XX, 1	Post-Retirement Medical
A-42a	04/13/2012	XX, 1	Amendment to Sidebar Letter A-42 Post-Retirement Medical Benefits
A42-b	04/15/2015	XX, 1	Amendment to Sidebar Letter A-42 and A42a Post-Retirement Medical Benefits

Document Number	Document Date	Article	Subject
A-46	04/21/2005	XII, 6	Temporary Upgrading in Clerical and Technical Jobs
A-48	04/21/2005	V, 7(a) VIII, 1(a)	East Meter Reading
A-49	04/21/2005	V, 3(a)	Interplant Seniority Rights
A-50	04/21/2005	IX, 2	Treatment for Substance Abuse
A-51	04/21/2005	XI, 2(a)	Personal/Diversity Day Requests
A-52	04/21/2005	IX, 5(a)	Vacation Carryover
A-55	04/21/2005	V, 3(a)	Job Elimination Situations
A-58	06/02/2008	XXII, 1	Retirement Plan Agreement
A-58a	04/14/2015	XXII, 1	Amendment to Retirement Plan Agreement
A-59	06/02/2008	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs
A-60	06/02/2008	Misc.	Union Employee Annual Incentive Program (UEIP)
A-60a	04/14/2015	Misc.	Amendment to Union Employee Annual Incentive Plan (UEIP)
A-61	04/14/2015	V, 7(a) VIII, 1(a)	Cincinnati Call Center
A-62	06/02/2008	Misc.	Part-Time Employee Benefits
A-63	06/02/2008	Misc.	Meter Reading Travel Allowance
A-64	04/14/2015	VIII, 1(a)	Revenue Services Representatives
A-65	04/14/2015	V, 2	Competency Based Selection
A-70	04/14/2015	V, 3(a)	UWUA Severance Program
A-71	04/13/2012	XII, 2(b)	Overtime Provisions
A-73	11/16/2009	Misc.	LIT Job Progression
A-74	03/31/2011	XII, 4(a)	On Call Rotation – Local IT Support
A-75	01/16/2012	Misc.	G.I.S. Job Progression
A-76	12/20/2012	XII, 2(b)	Foreign Utility Assistance
A-77	05/08/2014	Misc.	Senior Work Management Support Specialist
A-79	04/14/2015	Misc.	Separation of Delivery Operations and Gas Operations
A-80	04/14/2015	Misc.	Global Positioning Systems (GPS)
A-81	04/14/2015	Misc.	Engineering Specialist Progression
A-82	04/14/2015	V, 2	Customer Relations Representative/Clerk C Positions



THE CINCINNATI GAS & ELECTRIC COMPANY



CINCINNATI, OHIO 45201

December 22, 1971

Mr. Charles J. Neuhaus  
Chairman  
Independent Utilities Union  
P.O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Neuhaus:

Reference is made to our discussion at a meeting on November 30, 1971 and to your letter of December 1, 1971, concerning a uniform vacation selection procedure for employees represented by the Independent Utilities Union.

In accordance with our conversation, the Company will adopt the following vacation selection procedures effective January 1, 1972:

Preference for the first two weeks of vacation to which an employee is entitled will be considered within a job classification at each particular work location on a system service basis. Employees entitled to more than a two week vacation may select that additional vacation on a system service basis after all eligible employees within the job classification at each particular work location have had an opportunity to select the dates for at least two weeks of their vacation.

It is emphasized that this procedure will in no way affect the Company's right to determine the number of employees who may take a vacation at any one time.

Please confirm that the procedure stated in this letter is satisfactory to the Union so that the various affected Company departments may be notified prior to January 1, 1972.

Very truly yours,

*Robert E. Byrnes*

Robert E. Byrnes  
Manager  
Industrial Relations

A-1

(Due to the deteriorating condition of the original, this letter has been retyped.)

July 16, 1974

Mr. Charles J. Neuhaus  
Chairman  
Independent Utilities Union  
P.O. Box 1757  
Cincinnati, Ohio 45202

Dear Mr. Neuhaus:

During the 1974-1977 negotiation meetings, the committees of the Company and the Independent Utilities Union discussed interdepartment transfers to different job classification and lateral bids and their effect on classified seniority. The following procedure has been implemented as a result of the negotiations and subsequent discussions with representatives of the Union.

Individuals who laterally bid or transfer from one bidding area to another will receive classified seniority dates based on the dates they enter the new job classifications in the new bidding area. However, when an employee's move is delayed, consideration will be given to the proper adjustment of the employee's classified seniority rank so that the employee will not be penalized with respect to future opening within the new department. When such employees bid on future openings in the new department, they will be ranked on the basis of their classified seniority date in that bidding area. Should these employees bid on an opening posted outside their immediate bidding area, their wage level seniority will be used in determining their ranking for consideration on the posting. In accordance with past practice, departmental personnel will be given first consideration on an initial I.U.U. wide posting.

The only exceptions to the above procedures are for the following employees in the Customer Services Division of the Customer and Public Relations Department: Douglas Ray Deaton, Patricia L. Lindsay, and Ronald Eugene May. These employees, as was agreed during the negotiations, will be ranked according to wage level date on all promotional bids after they acquire the minimum work experience required for a promotion.

The procedure described in this letter applies only to transfers and lateral bids across bidding areas. Wage level seniority will continue to govern on lateral bids within a bidding area where specific procedures have previously been established.

The Company believes that the described procedures will conform with the agreement reached during the discussions at the 1974 negotiation meetings and will eliminate the potential for employees who transfer or laterally bid into another bidding area from subsequently acquiring more seniority than incumbent employees within the same classification. If the Union concurs with these arrangements, please initial and return the attached copy of this letter.

Very truly yours,

Robert L. Byrnes  
Manager  
Industrial Relations

cc: L. M. Dagenbach  
R. G. Graham

**A-2**

(Due to the deteriorating condition of the original, this letter has been retyped.)

March 28, 1977

Mr. E. Edward Divine  
Chairman  
Independent Utilities Union  
P.O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Devine:

During the 1977 negotiation meetings, the Company and the Union agreed to the introduction of a multiple posting system into the Property Department. This system is designed to speed up the process of filling job openings in the clerical and manual groups of the Department. For the purpose of posing job openings, accepting bids and selecting qualified applicants for job classifications bargained for by the Independent Utilities Union the existing northern, southern, eastern and western divisions of the Department will remain unchanged. Through multiple posting any known original job openings that the Company decides to fill will be listed on the posting. Any equal or lower level job that opens as a result of the original postings may be filled as a resultant available opening. In addition, any original job opening that becomes available during the posting period may also be filled as a resultant available opening. However, the Company must maintain the right to discontinue the filling of openings at any level of the procedure.

To clarify the procedures, the meaning of certain terms used herein are defined at follows:

A "posting" is the announcement of a job opening on the proper forms which are displayed on the bulletin boards of headquarters within the four divisions of the Property Department.

A "bid" is a written request of an employee on the proper form for consideration for an opening.

A "cross-bid" is a bid for an opening in the same job classification in another Division.

A "lateral bid" is a bid for an opening in a different job classification having the same maximum rate of pay.

A "promotional bid" is a bid for an opening in a job classification having a higher maximum rate of pay.

Any Property Department employee may submit a bid at any time. It is not necessary that a job opening be posted before a bid can be submitted. Only one promotional bid, one cross-bid or one lateral bid can be made on a single bid sheet. The bidder may also indicate on the bid sheet his preference for geographical division in numerical sequence. The bid sheet on file with the latest date as of the closing date of a particular posting will be used in processing that posting. It is imperative that the employee be continually aware of the bids he has on file, as well as his promotional opportunities. An employee accepted on a valid bid must accept the new job classification or new location.

**A-3**

Mr. E. Edward Divine  
March 28, 1977  
Page 2

To be valid, a bid must be made out in duplicate and signed by the bidder's supervisor on or prior to the closing date of a posting. One copy of the bid will be returned to the bidder and the other copy will be forwarded to the general office of the Property Department. All bids submitted in the beginning of a calendar year will be retained and used for processing all postings for the calendar year unless changed by the employee.

The acceptance of a bidder on a posting will invalidate all bids of that employee and the employee must submit new bids for consideration on future openings. Any individual bid can be invalidated (withdrawn) by submission of a similar bid with a later date or by the bidder submitting a bid sheet requesting cancellation of all previous bids. In addition, all bids become invalid on December 31 of any year. This will require new bids to be submitted on the first working day of each year or as soon thereafter as practical.

After a job posting has closed the ranking of applicants will be determined on the basis of qualifications, promotional sequences, and classified seniority. Bids will be considered in the following order:

1. Cross-bids
2. Lateral bids
3. Promotional bids

The successful applicant on lateral and promotional bids may be required to qualify by means of an examination if specified by the applicable job descriptions.

Requests for specific job assignments, locations, or shifts within a division may be made in writing to the supervisor in charge of that division. The supervisor will forward a copy of such request to the general office of the Property Department for filing. These requests will be considered by the division supervisor when an opening occurs and prior to the posting of such an opening. However, employees may not exercise their seniority to assure a particular job assignment, location or shift within a division. Requests for assignments will be retained in file until December 31 of any particular year and will be given consideration when job openings occur in the division in which the applicant presently works.

A "results of job opening" will be posted after all bids have been processed. This form will indicate the successful applicants, the headquarters, shift schedule, type of change and effective date. Any applicable payroll changes will be effective on the date which is designated on the multiple posting results sheet.

If, as the result of a job posting, an original opening or any resultant opening cannot be filled by an employee within the Property Department, that job may be posted Company wide.

In addition to permitting more than one cross-bid per posted opening, it is believed that this procedure will materially reduce the time required for the filling of job openings thereby expediting the promotion of employees. It is contemplated that this change in procedure in the Property Department will become effective on or about May 1, 1977.

Very truly yours,

Arthur R. Ehmschwender

(Due to the deteriorating condition of the original, this letter has been retyped.)

March 28, 1977

Mr. E. Edward Divine  
Chairman  
Independent Utilities Union  
P.O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Divine:

During the 1977 negotiations, the committees for the Company and the Union discussed the testing procedures which are utilized in many promotional sequences when employees promote.

In certain areas of the Company, an employee is tested on the basis of the job from which he promotes. In other instances, testing is based on the job into which an employee will progress and is given within a certain time interval before or after the employee is accepted. Further, the re-testing time interval for employees who do not successfully complete a promotional test varies in different departments. In certain areas of the Company, employees may be pre-tested for future promotional openings. The Union has requested that such advance testing be made available to employees for the next job in their promotional sequence even though an opening may not exist.

The Company is not opposed to advance testing in those situations where a supervisor agrees that such advance testing is in the best interest of all concerned. It must be realized, however, that in some areas of the Company, methods or technology often change so that advance testing is not practical, in such instances the material upon which an employee is tested may be altered substantially at the time an employee may ultimately be promoted. An employee who wishes to be considered for this advance testing should consult with his supervisor. The supervisor will appraise the employee if such testing is permissible and, if not, the supervisor will explain to the employee why his request may not be granted.

It is thought that this letter will clarify any misunderstanding that may have existed concerning advance testing.

Very truly yours,

Arthur R. Ehmschwender

**A-4**



April 13, 2012

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Leaves of Absence

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed Sidebar Letter A-5 dated April 10, 1986 regarding good cause for granting leaves of absence. The parties recognized that there have been significant legal developments since 1986, including but not limited to passage of the Family Medical Leave Act (FMLA) and the Uniformed Service Employment and Reemployment Rights Act (USERRA). Given these and other similar developments, the parties agreed to replace the April 10, 1986 Sidebar Letter as set forth herein.

The Company understands that employees may need to be away from the workplace at times for legitimate reasons. The Company further recognizes that time away from work is important to maintaining a healthy work-life balance. At the same time, the Company depends on a responsible and dependable workforce to serve its customers and meet its business goals.

To balance these interests, the Company provides leaves of absence for qualifying reasons, such as for new parents, medical issues (experienced by the employee or eligible family members), military service, caregivers, education, and other personal reasons deemed by the Company or its third party administrators to justify a leave of absence. Leaves of absence may be granted for up to a maximum of six (6) months, or as otherwise set forth in the applicable summary plan description.

All leaves of absence are provided in a manner consistent with applicable laws. To the extent that a leave of absence provided by the Company is over and above the employee's legal entitlement, it is recognized to be a privilege and not a right of the employee. Such leaves are granted at the discretion of the Company. While never desirable, an employee's absence in most situations can be tolerated more so during certain times of the year than other times.

It is difficult to enumerate the variable circumstances under which employees may be granted personal leaves of absence. The Company evaluates each request on an individual basis in light of the surrounding circumstances specific to such request. For

example, leaves of absence will not be granted for individuals who are absent due to incarceration or for individuals who want to try full-time employment elsewhere.

Employees are expected to cooperate with providing supporting documentation in a timely and truthful manner as needed by the Company and/or its third party administrators to manage the leave process consistently. Employees also are expected to keep their management apprised of their return-to-work status and any work-related restrictions prior to returning to work. Advance notice of the employee's return-to-work date and of any work-related restrictions is necessary for business planning and to ensure compliance with applicable laws.

It is believed that this letter accurately describes the parties' agreement.

Very truly yours,



Jay R. Alvaro  
Vice President, Labor Relations

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

Robert E. Byrnes  
Senior Vice President

April 18, 1989

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1988 negotiations, the parties discussed the possibility of the Company notifying the Union of the initial employment of co-ops in two year Associate Degree programs.

As agreed during these negotiations, Department Managers will attempt to inform the Union delegates whenever a two year co-op is hired within their areas of responsibility.

It is thought that by proceeding in this manner, the concerns expressed by the Union during the negotiating meetings will be alleviated.

Very truly yours,

*Robert E. Byrnes*

Robert E. Byrnes

A-6





April 13, 2012

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Partial Day Vacation Administration

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed the granting of vacations in less than one day increments.

As was agreed, department managers will review their individual work groups and where it will not disrupt normal operations, at their discretion, permit requests for partial day vacations in increments of one-half the employee's scheduled work day but not less than four hours. It was further agreed that requests for these partial 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 partial day off with less than a seven (7) calendar day notification may be approved by an employee's supervisor.

Currently there are some departments that allow, business needs permitting, employees to take partial vacation days in less than half day increments. It is agreed that individual departments will have the ability to grant vacation requests for less than half day increments at their discretion.

It is believed that this letter accurately describes the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jay E. Alvaro'.

Jay E. Alvaro  
Vice President, Labor Relations

# CG&E The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

Robert E. Byrnes  
Senior Vice President

April 18, 1989

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1989 negotiation meetings, the committees for the Company and the Union discussed the degree of discipline to be administered to employees who falsify or tamper with Company records.

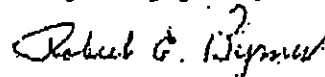
Many employees represented by the Union are in positions of trust concerning Company records and accounts. The management depends upon the integrity of each employee in the performance of his or her various job duties and responsibilities. The importance of this reliance upon complete employee veracity cannot be overemphasized.

In many disciplinary situations, the Company adheres to a policy of progressive and constructive discipline in order to impress upon employees the nature of Company expectations. However, as mutually agreed upon during the negotiations, employees whose dishonest acts adversely affect the Company will be summarily discharged. For example, it has been a long established Company policy that all meter reading personnel will be terminated who curb readings, falsify records, or are guilty of defalcation; immediate discharge for these activities will continue.

Employees in various departments have access to Company and other accounting and business records and are confronted with situations where circumstances could allow indiscretions for their personal gain or the benefit of others without proper remuneration to the Company. Many positions of trustworthiness could be misdirected to a manipulation or falsification of Company records in a fraudulent, larcenous, or otherwise dishonest manner. As agreed, such activities will result in immediate termination of employment.

If the types of activities occur as described above, the Company will react in good faith upon a full, fair, and impartial investigation. The Company will take every precaution to evaluate particular incidents in full light of all circumstances in order to make certain that any summary termination is not undertaken in an arbitrary, capricious, or disparate manner.

Very truly yours,



Robert E. Byrnes

A-9

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1992 negotiation meetings, representatives of the Company and the Union discussed the negotiated intent and the current administration of holiday call out provisions contained in Article XI, Section 1 (d) of the Agreement.

There was no dispute between the parties as to how an employee is compensated for any call out assignment where all the hours worked by the individual were entirely within the holiday (midnight to midnight). When such call out assignments are for four hours or less the employee receives four hours pay at the appropriate overtime rate and no travel pay. When such call outs are more than four hours but less than eight, the employee receives eight hours of pay at the appropriate overtime rate and no travel pay. When an employee works entirely within the holiday for more than eight hours, all hours worked after eight hours are compensated at the double time rate of pay with no travel pay. The area of dispute between the parties concerns those call out assignments which are worked contiguous to hours on the day before or the day after a holiday.

In order to completely resolve this matter, the Company is willing to compensate the employee for one hour of travel time at the appropriate rate of pay for call outs of four hours or more contiguous with hours worked into or out of a Company recognized holiday. However, the guarantee of eight hours pay for a call out that is more than four hours but less than eight that is contained in Article XI, Section 1 (d) will not apply to call outs that are contiguous with hours into or out of the holiday.

By proceeding in this manner, it is thought that a consistent and equitable manner of administering the holiday pay provisions of the Agreement can be attained.

Very truly yours,

  
Edward R. Schuette

A-11

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 560 Cincinnati, Ohio 45201-0560

April 16, 1992

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1992 negotiation meetings between the Company and the Union, the committees discussed the use of flextime.

As was discussed during these meetings, it is the policy of the Company to use flextime programs in those work groups where such scheduling is deemed appropriate by the Department Manager. Although the Company reserves the right to discontinue the use of flextime where appropriate, it will meet with the Union before proceeding.

It is thought that this will adequately describe the discussion concerning this matter.

Very truly yours,

  
Edward R. Schuette

A-12

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

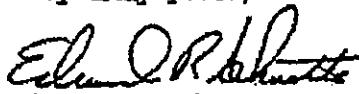
Dear Mr. Bradford:

During the 1992 negotiation meetings, the committees for the Company and the Union discussed the change of schedule provision in Article XII, Section 3 (b).

Although the language in the current Agreement states that an employee will receive at least a 24-hour notice of a change in shift, the Company will attempt to give at least a five calendar day notice of such changes.

It is thought that this is a fair and equitable policy which will satisfy the interests of all concerned.

Very truly yours,

  
Edward R. Schuetta

**A-13**

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

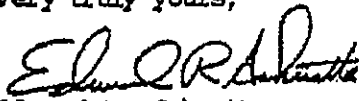
Dear Mr. Bradford:

During the 1992 negotiations, the committees for the Company and the Union discussed the reorganization of the Distribution Operations Division of the Electric Systems Operations Department.

As was agreed during these negotiations, the supervisory positions within this section will have the flexibility to perform bargaining unit work when an Operations Technician is unavailable to readily respond to a customer inquiry that needs immediate attention. On those occasions supervision will be able to investigate, resolve and recommend solutions to customers about their inquiries. They may also be setting test equipment and or preparing written recommendations for customers. It is anticipated that the performance of this bargaining unit work will be minimal. As stated during the negotiations, it is thought that supervisory employees will only perform these types of operations on an average of one per week. In the event that the Operations Technician, assigned to a specific area, is on vacation, that average may increase to approximately two to three per week. This agreement does not restrict supervisory employees from doing work they previously performed.

It is thought that this agreement will enable us to better serve our customers.

Very truly yours,

  
Edward R. Schuette

A-14

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

Dear Mr. Bradford:

During the 1992 negotiation meetings, representatives for the Company and the Union discussed the policies and procedures to be utilized when employees are required to work or train at out-of-town locations.

The mode of transportation to be utilized for all out-of-town trips will be determined by the Company. Commercial airlines will be used whenever possible. The Company will normally furnish roundtrip airline tickets (tourist or coach class) between the Greater Cincinnati Airport and the point of destination. If prior arrangements are made and the Company agrees, employees may drive to and from their destination and be reimbursed at the appropriate mileage rate but not exceeding the cost of the roundtrip airline ticket. Each individual request will be evaluated by the Company before determining if alternate transportation will be permitted. Employees utilizing the personal car option will not be granted additional time off from their regular scheduled work week in order to meet travel schedules not arranged by the Company. Nor will any other expenses such as personal auto repairs and insurance, extra meals or lodging be reimbursed by the Company.

Normally the Company will arrange for, and pay any living accommodation expenses. Occasionally, there will be times when employees will be responsible for direct payment prior to leaving the hotel/motel. In this case, the employees will receive advance payment for the applicable room rates and must reconcile their accounts personally. During most other out-of-town trips, prior arrangements may permit invoicing of applicable hotel/motel room costs directly to the Company. In this situation, involved employees will not receive any direct payments for room costs. Other types of accommodations will be handled on a case-by-case basis with methods of payment appropriate to the situation.

For extended trips, employees will be informed prior to leaving for the out-of-town assignment as to the number of return trips to Cincinnati they will be allotted. For these return trips, the Company will normally furnish transportation. In the event that visits home are granted and taken, the Company will reimburse each employee for roundtrip transportation costs only.

**A-15**

The Company may establish and pay an applicable per diem rate in advance for each out-of-town day and each travel day. This rate, which may vary between individual out-of-town locations, will include all other expenses, such as meals, laundry, telephone calls, tips, etc. Transportation and lodging will not be included in the daily per diem amount that each employee will receive. Any expenses incurred over and above the stipulated per diem amount for any given trip will be the responsibility of the employee. Alternately, the Company may elect to reimburse employees for the direct reasonable expenses for such items as meals, laundry, telephone calls, tips, etc. The Company will determine on a case-by-case basis whether a per diem arrangement or reimbursement for reasonable expenses is used for out-of-town assignments.

It is thought that this letter will clarify the Union's concerns about the policies and procedures to be utilized when employees are required to work or train at out-of-town locations.

Very truly yours,



Edward R. Schutte





April 13, 2012

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Four 10-Hour Day Guidelines

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed Side bar Letters A-17 and A-47 regarding four 10-hour day workweeks. As a result of those discussions, the parties agreed to the following revised Guidelines for employees who are assigned to work four 10-hour days.

1. **Off Days.** Management will attempt to provide employees working a four 10-hour day workweek with three consecutive off days. However, employees in a particular work group may request or may be required to have two consecutive off days and another off day within the scheduled workweek. Supervision will give due consideration to such requests.
2. **Overtime.** Time and one-half will be paid for all overtime hours worked in any single workweek, with the exception of Sunday. All overtime hours worked on a Sunday will be paid at double time.
3. **Vacation.** One day vacations are for 10 hours. Weekly vacations are for 40 hours. Employees who are transitioning to or from a four 10-hour day workweek shall be entitled to all accrued vacation (i.e., if an employee returns to an five 8-hour day schedule with 10 hours remaining vacation, the employee will have one day and two hours of vacation to take in accordance with the contract).
4. **Personal Days.** Personal days must be taken in full days regardless of the employee's schedule, and cannot be taken in smaller increments. For employees on 10-hour shifts, personal days are paid for 10 hours. For employees on 8-hour shifts, personal days are paid for 8 hours.
5. **Holidays.** Employees working four 10-hour shifts convert to a five 8-hour day schedule during all workweeks that contain a holiday recognized by the Company in an effort to maintain consistency throughout the bargaining unit for employees to receive 40 hours of pay.

**A-17**

For any other alternate work hour schedule that may be developed, it is agreed that at least two off days will be consecutive. The two consecutive off day agreement does not apply to any currently established workweek or when changing from one schedule to another. Furthermore, the two consecutive off day requirement can be waived, but both supervision and the employee must mutually agree to such a schedule.

It is thought that this letter accurately describes the parties' agreement.

Very truly yours,



Jay R. Alvaro  
Vice President, Labor Relations

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

April 16, 1992

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

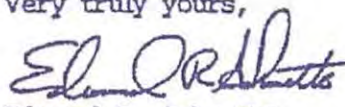
Dear Mr. Bradford:

During the 1992 negotiation meetings the committees of the Company and the Union discussed the representation of employees by personal attorneys or outside agencies during the grievance and arbitration procedures.

As a result of these discussions, the parties agreed that the Union is the sole bargaining representative for its members and therefore no outside representation will be permitted during such meetings. This in no way restricts the Union's ability to have an attorney represent its own interests during the grievance and arbitration procedures.

It is believed that by proceeding in this manner the concerns expressed during these meetings have been alleviated.

Very truly yours,



Edward R. Schuette

A-18

OCT-13-99 WED 9:15 AM IUU

P. 6

**CG&E ■ The Energy Service Company**

The Cincinnati Gas & Electric Company  
P.O. Box 960 - Cincinnati, Ohio 45201-0960

July 19, 1994

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

This letter cancels and supercedes my previous letter to you, dated July 13, 1994.

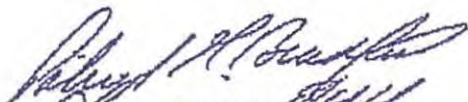
Reference is made to our meeting on Tuesday, June 28, 1994 regarding the new job classification, Gas Operations Trainer, Job Code #827. In addition to you and I, Messrs. E. Schuette and D. Zanitsch representing the Company and Mr. D. Rosing representing the IUU were also in attendance.

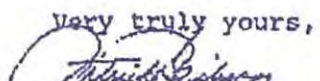
As agreed, the new job classification of Gas Operations Trainer, Job Code #827 will be established at wage level 12. This new job classification was evaluated by the Company's Non-Manual Job Evaluation Committee as a wage level 11.

In return for the Company's willingness to establish this new job classification at wage level 12, the Union agreed that the Management of Gas Operations will select the individual they deem to be most qualified for this position in lieu of accepting the most senior qualified individual. The Union further agreed not to process any grievances related to the selection process for this position.

If future re-evaluations of this job classification increase the total number of points sufficient to increase the wage level to 12, this job classification will remain a wage level 12 and the selection process will revert to being conducted in accordance with the Union contract in effect at that time.

If you concur with this agreement, please sign and date a copy of this letter and return it to my office.

  
Chairman  
7/21/94

Very truly yours,  
  
Patrick P. Gibson

cc: E.R. Schuette  
D.E. Zanitsch

\jobeval\trainer

A-20

January 11, 1998

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P. O. Box 1757  
Cincinnati, Ohio 45201

Dear Pat:

Per our discussion on November 5, 1998, this letter details our discussion on the development of Customer Projects Resource Specialist position. Pending final Management approval, these positions will be newly created IUU jobs within Energy Delivery and will be filled based on business needs as determined by Management.

The duties and responsibilities of the Customer Projects Resource Specialist are:

- On-the-job training of new employees in a work group
- Presenting and/or assisting others in classroom training
- Serving as an expert resource on work procedures and related technical information
- Providing refresher/remedial/supplemental training requested by the work group supervisor
- Performing duties in various work groups and as mutually agreed upon by respective work group supervisors

The Customer Projects Department will post Customer Projects Resource Specialist vacancies when they occur. In exchange for the specially negotiated Customer Projects Resource Specialist wage rate, interested, qualified candidates will be selected by the Targeted Selection process. In the event that two candidates are rated equal through the Targeted Selection process, in accordance with the current IUU Agreement seniority will be the prevailing factor.

The Customer Projects Resource Specialist positions will be filled by IUU represented employees in the following bidding areas:

- Customer Projects
- Electric Operations
- Gas Operations

For the initial Customer Projects Resource Specialist job posting, T&D Coordinators will be considered. If selected, the T&D Coordinators who accept the Customer Projects Resource Specialist position must join the Independent Utilities Union within thirty (30) days of being reclassified as a Customer Projects Resource Specialist. For the selection of reporting locations, successful IUU candidates shall have preference, based on System Seniority over successful T&D Coordinator candidates.

**A-21**

The Customer Projects Resource Specialist position will be staffed using the following process:

- Bids and/or resumes will be screened to determine that minimal qualifications are met
- Candidates will participate in a Targeted Selection Interview process by at least three (3) qualified interviewers. If agreed to by the candidate, IUU leadership may observe this process.
- A data integration process will be used to create a rank listing of qualified candidates. IUU leadership may observe this process.
- Qualified candidates will be asked to develop and present a five-minute presentation on the topic of their choice. These presentations will be scored on a pre-determined set of criteria by at least two experienced, exempt trainers.
- Positions will be offered to the successful candidates.
- Resultant job opening may be backfilled in accordance with the current IUU agreement.

The minimum and maximum wage rates for the Customer Projects Resource Specialist position will be \$860.00 to \$910.00.

Customer Projects Supervisors assigned a Customer Projects Resource Specialist will be responsible for assignment of their work schedules, performance evaluations, discipline and administrative requirements. Customer Projects Resource Specialist's performance will be evaluated formally on the same schedule as other employees within Energy Delivery.

Customer Projects Resource Specialists will be required to travel to other locations away from their normal work locations. Existing Company and departmental policies will determine compensation and reimbursement for out-of-pocket expenses. The working hours for Customer Projects Resource Specialists may need to be flexible. Training activities may require work hours other than a normal 8 a.m. to 5 p.m. schedule.

Customer Projects Resource Specialists may accept temporary upgrades to supervisory positions, not to exceed 90 consecutive days, if they would have otherwise been upgraded.

Very truly yours,

Jerry W. Baird, Manager  
Customer Projects

(New - January 11, 1999  
Energy Delivery Business Unit  
Gas & Electric Support Services Department

60600

CLASSIFICATION:            CUSTOMER PROJECTS RESOURCE SPECIALIST

A. DUTIES:

Under general supervision, with a work schedule covering days, nights, weekends and holidays is responsible for providing needs assessment, assisting in the development and presentation of training programs related to the job skill areas identified for Customer Project Coordinators and Office Coordinators, maintaining training materials and providing on-site support as required at various Company locations.

1. Conducts job skill training as required for Customer Project Coordinators and Office Coordinators.
2. Assists in designing training modules for classroom and on-the-job training.
3. Designs job aides and other training-related materials.
4. Conducts follow up on-the-job training to employees returning from classroom training.
5. Participates as "job expert" on teams as required.
6. Works with other Company departments to provide supplemental training, module development, and/or consultation as required.
7. Assists in maintaining training documentation to ensure that all materials are up to date and in compliance with standards.
8. Provides input on employee performance in job duties that are based on classroom and field training.
9. Conducts follow-up evaluations to critique the effectiveness of training and training materials.
10. Participates in Company training programs and/or outside seminars to enhance job related skills.
11. Operates and maintains audio visual equipment.
12. Supports employees as initial point of contact for job related issues.

(New - January 11, 1999)  
Energy Delivery Business Unit  
Gas & Electric Support Services Department

13. Schedules facilities, trainees, equipment and material for training programs.
14. Performs the duties of Customer Project Coordinators and/or Office Coordinators as needed and as able in the event of emergencies, job deadlines or excessive workload.
15. Performs other similar or less skilled work.

**B. QUALIFICATIONS:**

Must meet the Company's requirements as to GENERAL QUALIFICATIONS, and in addition:

1. Must have at least 5 years' Company experience in assisting or designing the process of getting gas or electric service to our customers.
2. Must have demonstrated the ability to successfully apply Company and Commission rules, regulations, and standards as appropriate.
3. Must have experience in designing and presenting informational material to other departments and associates within the Company, outside groups and organizations or other customers in a professional and organized manner.
4. Must have successfully passed the technical aptitude battery of tests.
5. Must have experience in successfully facilitating and leading groups of employees to achieve desired goals.
6. Must be capable of designing training materials, instructing others and conducting classroom training.
7. Must be capable of using and trouble shooting audio visual and computer software and hardware equipment.
8. Must have a valid driver's license.



## Energy Delivery Customers Projects

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### Customer Projects Resource Specialist

#### Overview

To improve and supplement classroom training in the Customer Projects Department, full-time Resource Specialist positions were established in 1998. The duties and responsibilities of the Customer Projects Resource Specialist (CPRS) are listed below. The CPRS positions will be filled based on business needs as determined by Management. These positions are newly created jobs within Energy Delivery.

#### Eligible Job Classifications\*

CPRS positions will be filled by IUU represented employees in the following bidding areas:

- Customer Projects
- Electric Operations
- Gas Operations

#### CPRS Responsibilities

The following responsibilities are included in CPRS duties:

- On-the-job training of new and existing employees in a work group.
- Presenting and/or assisting others in classroom training.
- Serving as an expert resource on work procedures and related technical information.
- Providing refresher/remedial/supplemental training requested by the work group supervisor.
- Performing duties in various work groups and as mutually agreed upon by respective work group supervisors.

*\*For the Initial Customer Projects Resource Specialist job posting, T&D Coordinators will be considered. If selected, the T&D Coordinators who accept the Customer Projects Resource Specialist position must join the Independent Utilities Union within thirty (30) days of being reclassified as a Customer Projects Resource Specialist. For the selection of reporting locations, successful IUU candidates shall have preference, based on System Seniority over successful T&D Coordinator candidates.*

Energy Delivery Customer Projects

OJT Procedures

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**Selection  
Procedures**

The Customer Projects Department will post CPRS vacancies when they occur. In exchange for the specially negotiated Customer Projects Resource Specialist wage rate, interested, qualified candidates will be selected by the Targeted Selection process. In the event that two candidates are rated equal through the Targeted Selection process, in accordance with the current IUU Agreement seniority will be the prevailing factor.

The CPRS position will be staffed using the following process:

- 1) Bids and/or resumes will be screened to determine that minimal qualifications are met.
- 2) Candidates will participate in a Targeted Selection interview process by at least 3 qualified interviewers. If agreed to by candidate, Union leadership may observe this process.
- 3) A data integration process will be used to create a rank listing of qualified candidates. IUU leadership may observe this process.
- 4) Qualified candidates will be asked to develop and present a 5-minute presentation on the topic of their choice. These presentations will be scored on a pre-determined set of criteria by at least 2 experienced exempt trainers.
- 5) Positions will be offered to the successful candidates.
- 6) Resultant job openings may be backfilled in accordance with the current agreement.

**Wage Rates**

The minimum and maximum wage rates for the Customer Projects Resource Specialist position will be \$860.00 to \$910.00.

**Reporting  
Relationships**

CPRS will report to Customer Project Supervisors.

Customer Projects Supervisors assigned a Customer Projects Resource Specialist will be responsible for assignment of their work schedules, performance evaluations, discipline and administrative requirements. Customer Projects Resource Specialist's performance will be evaluated formally on the same schedule as other employees within Energy

Energy Delivery Customer Projects

OJT Procedures

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Delivery.

**Additional  
Consideration**

CPRS will be required to travel to other locations away from their normal work locations. Existing company and departmental policies will determine compensation and reimbursement for out-of pocket expenses.

The working hours for CPRS may need to be flexible. Training activities may require CPRS to work hours other than a normal 8 to 5 schedule.

CPRS may accept temporary upgrades to supervisory positions, not to exceed 90 consecutive days, if they would have otherwise been upgraded.



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Time Off For Union Duties/Business

Dear Mr. Anderson:

During the 2015 - 2019 negotiations, the representatives of the Company and the Union clarified the administration of time off work and compensation for performing Union duties/business. Subject to legitimate business needs, the Company will grant compensated or non-compensated time off work in accordance with the following guidelines.

- |                                      |  |
|--------------------------------------|--|
| <b>NEGOTIATIONS</b>                  | Members of the Union negotiating committee and any other employee required to attend or prepare for negotiating meetings will be able to attend during working hours. These employees will not be compensated by the Company for time spent in and preparing for negotiations, unless previously agreed to by the parties.         |
| <b>GRIEVANCES &amp; ARBITRATIONS</b> | A reasonable number of employees will be able to prepare for and attend grievance and arbitration meetings. Union employees will not lose their straight-time wages while attending grievance meetings. The time spent by Union members in preparing for and attending all arbitration meetings is not compensable by the Company. |
| <b>JOINT MEETINGS</b>                | A reasonable number of employees will be able to attend joint meetings between Union members and Company representatives. These employees will not lose their straight-time wages while attending or preparing for joint meetings.   |
| <b>UNION DUTIES/MEETINGS</b>         | A reasonable number of employees may be excused but not compensated by the Company for attending, preparing for or performing union duties/meetings. This includes items such as counting votes, regular Union meetings, General Board meetings, working on Union accounting records, or other union duties or meetings.           |

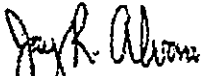
**MILEAGE  
EXPENSES**

The Company will agree to reimburse the Union mileage expenses for up to two union representatives to attend Company scheduled meetings. This does not include grievance meetings, arbitrations, negotiations or meetings held at the request of the Union. The Company will agree to reimburse the Union mileage expense for one union representative to attend fact finding meetings. The Union will provide an itemized statement each month for this expense and the Company will reimburse the Union.

There may be occasions when exceptions to these guidelines may be granted. The parties will make every effort to accommodate each other in these matters. The Union agreed to give as much advance notice as possible to supervisors of employees who need to be off work for Union business.

The advancing of wages for non-compensable union business will continue, absent abuse of this process. If problems arise, management will meet with the Union in an attempt to correct the abuse. However, management must maintain the right to discontinue this arrangement, if a satisfactory resolution cannot be reached.

Sincerely,



Jay F. Alvaro  
Director, Labor Relations  
Duke Energy

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

September 2, 1998

Mr. Patrick G. Bradford  
Chairman  
Independent Utilities Union  
P O Box 1757  
Cincinnati, Ohio 45202



Dear Mr. Bradford,

As you are aware, a new job evaluation system, the BOGAR Job Evaluation System is being implemented for all job classifications represented by the IBEW, Local 1347, IUU and the USWA, Locals #12049 and #5541-06. The new system was designed by the ERT Sub-Committee II (Joint Union/Management Team) and approved for implementation by the ERT at its June 29, 1998 meeting. The BOGAR Job Evaluation System completely replaces the McIntyre system.

The McIntyre Evaluation break points for each grade level have been mathematically converted to new break points under the BOGAR System, therefore it is not necessary for job classifications to be reevaluated at this time. Only new job classifications or revised job classifications with significant changes since their last evaluation will be evaluated using the new system. Job classifications will retain their current wage rates/grade levels, but will be subject to change if they are revised and reevaluated as was the practice in the past.

Under the current agreement, a company job evaluation committee is responsible for evaluating all new or revised job classifications. (Article VIII, Section 1(I)). A key component of the new job evaluation system is the establishment of a new joint Union/Management job evaluation committee. The committee will consist of two management representatives from each business unit, two representatives from the IUU, IBEW and each USWA local and two representatives from the Corporate Center. Accordingly, there will be 16 total members with a maximum of 10 active during an evaluation. Operating guidelines for the committee are as follows:

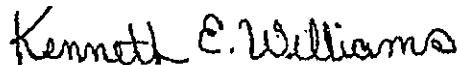
- Unions will appoint their representatives and they will only participate in the evaluation of job classifications represented by their Union.
- Unaffected union representatives may be present, but will not participate at this time.
- No more than two of the four USWA representatives will participate in the evaluation of USWA job classifications.

- The participating union must have at least one representative available during the evaluation process.
- Consensus should be reached on each factor during the evaluation; absent consensus, majority rules.
- The participating Business Unit must have at least one representative available during the evaluation process.
- All job evaluation members should be informed it is a long term commitment.
- A quorum to have a meeting is six members.

A job evaluation coordinator from the Human Resources Department will also facilitate in the evaluation process and will not be a voting member. The ERT Sub-Committee II also established the pre-evaluation process, presentation guidelines, post evaluation process, training, a creditability check and employee communication and these will be implemented as presented to the ERT at the June 29 meeting.

This letter and accord modifies the terms of the 1996-2001 contract with respect to the job evaluation system and it is believed that this letter accurately describes the agreement the Company and Union have reached.

Sincerely,



Kenneth E. Williams  
Manager  
Employee Relations and Safety

**INTERNAL CORRESPONDENCE**

To: Officers, General Managers and Managers  
From: Patrick Gibson  
Subject: **MANUAL, CLERICAL AND TECHNICAL JOB CLASSIFICATIONS**  
Date: December 29, 2000  
Reply By: **CINERGY.**

The purpose of this letter is to amend and update the Walter C. Beckjord letter of October 1, 1945, which has served as a preamble to the Cincinnati Gas & Electric Company's job classification and evaluation system for Union represented job classifications:

In October 1945, after a careful and comprehensive study of the various kinds of work necessary to conduct the business of the Company in a safe, efficient and otherwise satisfactory manner, and the requirements of each job involved, the Company by agreement with the Unions representing the employees and with the approval of the National War Labor Board (Region V), placed into effect a schedule of job titles and descriptions for all manual, clerical and technical employees. Wage rate schedules were established and made effective in accordance with the Union agreements and the approval of the War Labor Board.

The job descriptions and wage rate schedules were designed to provide a fair and equitable means by which all the jobs, within the scope of the plan, being filled by manual, clerical and technical employees could be designated with uniformity and understanding throughout the Company system. The Company and the duly certified exclusive bargaining representatives of the bargaining units agreed to the basis used for defining jobs. It became the duty and responsibility of the supervisory force as the representatives of management to see that it was applied and maintained in a fair and consistent manner. It was also essential that employees clearly understood the duties and requirements of the jobs to which they were assigned. While the job descriptions were not intended to be all-inclusive, they were intended to cover such typical tasks necessary to provide a fair basis for evaluation.

The job classification and evaluation plan provided:

1. A set of job descriptions which prescribe typical duties and qualifications;



## **INTERNAL CORRESPONDENCE**

2. A set of promotional charts indicating the line of normal promotions in the respective departments;
3. A set of wage schedules containing maximum wage rates for all jobs and steps of progression to arrive at the maximum wage rates;

In September 1998, a new evaluation system (BOGAR) was implemented to evaluate all manual, clerical and technical job classifications represented by the International Brotherhood of Electrical Workers, Local 1347; the United Steelworkers of America, Locals 12049 and 5541-06; and the Independent Utilities Union. A joint union/management committee designed the BOGAR Job Evaluation System. In addition to the items listed above, the BOGAR system requires a Job Evaluation Questionnaire to be completed and approved for each new or revised job classification.

## **JOB DESCRIPTIONS**

Each job description consists of a statement of the nature of work involved in the job classification, in sufficient detail to identify the title and content to those familiar with the organization; also a statement of the minimum qualifications required to enter the job. Each job description is subdivided into two parts, "Duties" and "Qualifications" as follows:

### **DUTIES**

This section is devoted to a description of the essential duties required in the classification itself, considered entirely apart from the individual who may occupy the position. A sufficient number of duties are listed to:

1. Indicate the character and grade of the work;
2. Indicate the variety of duties;
3. Distinguish each job classification from another.

The duties for each job description are those principal duties that are required to properly identify and evaluate each of the specific job classifications. These duties are not to be considered all-inclusive. Employees may be temporarily assigned, within their capabilities, duties of other classifications. When the temporarily assigned duties are those of a higher or lower rated job classification the employees should be paid the appropriate rate of pay in accordance with the Union agreement.

This section also indicates, as a general guide, the degree of supervision under which the employees are expected to be able to perform their work; that is under "Close," "Directive," or "General Directive" supervision. These terms are defined as follows:

## **INTERNAL CORRESPONDENCE**

1. The term "under close supervision" means that the employees perform only those tasks which they have been instructed to do and are observed and supervised most of the time while performing them.

For example: A helper assisting a mechanic in performing assignments would ordinarily be under the "close" supervision of the mechanic.

2. The term "under directive supervision" means that the employees perform primarily those tasks and duties which they have been directed to do and then carry out such instructions under observation or checking from time to time.

For example: A mechanic, working under the direction of a supervisor, assigned to a section of the work but observed or contacted periodically during the day, by the supervisor, would be considered as working under "directive" supervision.

3. The term "under general directive supervision" means that the employees under general instructions perform duties independently, but within the limitations of standard practices or procedure.

For example: A Senior Lineperson operating in the field on scheduled assignments, in accordance with standard practices and procedures but without any supervision while in the field, whose production or performance would be the check on activities and quality of work, would be considered as working under "general directive" supervision.

## **QUALIFICATIONS**

In this section of the job descriptions are listed those minimum qualifications which the individual is expected to bring to the job. Specifically included are such items as basic education, degree of skill, extent of experience, special knowledge, and other required qualifications.

### **Company Requirements as to General Qualifications**

In addition to the duties and qualifications for each job classification as set forth in the job descriptions, each employee must meet the Company's requirements as to general qualifications, which include:

1. The physical and mental abilities to perform the essential functions of the job classification, with or without reasonable accommodations;

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

**INTERNAL CORRESPONDENCE**

2. The willingness to follow instructions and cooperate with other employees;
3. The willingness to respond to calls outside of regular hours, when the need arises and in emergencies, to help in any department or phase of the Company's operations in which they are qualified to help;
4. The willingness to work a shift schedule and irregular hours where the nature of the work requires it;
5. The willingness to direct and instruct or train employees, of a lower Job rating, assisting on the same work;
6. If required by assignment to drive automobile or trucks, must hold a valid State Bureau of Motor Vehicles Operators' license;
7. Compliance with the general rules and practices of the Company, with specific rules of the department in which they are employed, and with those of other departments with which their work must be coordinated;
8. Thorough familiarity with and strict observance of the Company's safety rules applicable to their job;
9. Have the characteristics of dependability, trustworthiness, and carefulness; and have a satisfactory previous record in these respects;
10. The willingness to submit to physical examinations by a licensed physician designated by the Company;
11. The willingness to supply the necessary employment records including, but not limited to, birth certificate, social security number, selective service record, military record, character and past employment records.

**JOB EVALUATION QUESTIONNAIRE**

Each questionnaire consists of questions related to the six factors used to evaluate a job classification under the BOGAR system. One or more employees in a job classification represented by the applicable Union must complete and sign one questionnaire. A departmental management representative must approve the completed questionnaire. The six factors and related sections of the questionnaire are as follows:

## **INTERNAL CORRESPONDENCE**

### **Knowledge**

Questions related to the amount of formal and informal education, training and experience.

### **Responsibility**

Questions related to the amount of responsibility for such things as: Company funds; confidential information; safety, training and/or work direction of others; materials and equipment; etc.

### **Customer Contact**

Questions related to the amount, importance and difficulty of contacts with internal and external customers.

### **Decision Making and Complexity of Duties**

Questions related to the complexity of the work; the freedom employees have to make decisions; and, the impact their decisions may have on the Company.

### **Physical/Adverse Characteristics**

Questions related to the amount, duration and frequency of: physical work (e.g., lifting, climbing and walking); and, work in adverse conditions (e.g., heat, cold, dust and noise).

### **Hazards**

Questions related to the inherent dangers in the job which directly expose the employee to the possibility of accidents which may result in lost time accidents or death.

## **WAGE SCHEDULE**

### **Starting Rates**

When employees are first assigned to a job classification, they receive the starting/minimum rate indicated in the wage schedule for that job, except in cases where an employee is already receiving a rate equal to or in excess of the starting/minimum rate indicated. In such event when the employee is promoting into the job classification, the employee receives an increase as described in the applicable Union Agreement, but in no event in excess of the maximum wage rate for the job to which the employee is assigned.

## **INTERNAL CORRESPONDENCE**

### **Progression Steps within a Wage Range**

The wage range provides for progression steps leading up to the maximum evaluated rate of the job. Job progression steps are designed for the purpose of advancing an employee within the wage range. These progression steps are to be used as follows:

At intervals of six months, the supervisor shall make a review of the employee's development and progress on the assigned job. If progress, measured by demonstrated ability and performance, has been satisfactory, the scheduled progression step will be made effective on the first Monday following the expiration of that particular interval, until the employee's wage rate equals the maximum rate specified for the particular job classification.

When the performance review indicates that the employee has not made satisfactory progress in the job and an increase in pay is not warranted the employee is to be personally notified by the immediate supervisor that the progression step increase is being withheld. The notification must take place at least one month in advance of the date for the scheduled progression step. In addition, serious consideration should be given as to whether or not the employee should be demoted, transferred or released. The Union may request a review of such a decision. Such review is to be made by a representative or representatives of the Union and a representative or representatives of the Company.

For new employees the six-month interval will start from the hiring date, and for promoted employees, a new series of six-month intervals will start on the date of promotion.

### **CONCLUSION**

Although this plan is set forth as clearly and explicitly as possible, questions may arise as to the intent or interpretation of some provisions. In such event, the matter should be discussed with a representative in the Labor Relations department.

Very Truly Yours,



Patrick P. Gibson

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

May 14, 2003

Ms. Mary Harthun  
President  
Local Union 600, IUU  
Utility Workers Union of America  
810 Brighton Street  
Newport, Kentucky 41071

**CINERGY.**  
CG&E

Re: Disconnect Non-pay, Succession  
And Special Meter Reads Agreement

Dear Ms. Harthun:

This letter documents our discussions and agreements related to disconnect non-pay (DNP), field credit activity and succession and special meter reading work.

In August 2002, the Company met with the leadership of each of the CG&E affiliated local unions to discuss the need to significantly increase the number of completed DNP's and to complete all succession/special meter reads at a competitive cost. As a result of those discussions, a team was formed, which included the leadership from each union and management representatives, to evaluate the business case for implementing necessary flexibilities and cost control measures to perform the identified work at a competitive cost. The team was charged with reaching a consensus on a plan to achieve the desired results.

It was recognized that residual union jurisdictional issues around the DNP work and the succession and special meter reading work had resulted in restrictive work practices across the multiple unions connected with these job functions. Since August of 2002, the joint union and management team has worked together on a regular basis to achieve compromise for the implementation of the following competitive alternatives to outsourcing these job functions. Pending agreement with the leadership of the four local unions involved in the discussions, the Company will implement the changes described below.

The Company will form a new centrally managed work group for the specific purpose of performing the DNP fieldwork. The Company will initially staff the new work group with 10 existing employees (Senior Representatives) represented by the UWUA currently performing DNP work. Additionally, 8 employees will be added in each of two entry-level job classifications, one represented by the USWA and the other by the IBEW, Local 1347. It is understood that if any of the aforementioned 10 employees represented by the UWUA vacate their position and the Company decides to backfill the position(s), it will be filled as an entry-level DNP worker represented by the USWA or IBEW. The Company assured the Union that the two clerical positions that provide support to the DNP work process would not be eliminated as a result of this reorganization.

The 16 new entry-level DNP worker job openings will be made available to other employees represented by their respective unions (i.e., USWA and IBEW). If all 16 openings are not filled by employees in their respective unions or by displaced employees in redeployment represented by the IBEW, the remaining openings will be made available to full-time meter readers and then part-time meter readers, in that order. If any full-time or part-time meter

**A-41**

readers vacate their positions as a result of accepting any of the initial 16 DNP worker job openings represented by the IBEW and USWA, the Company will backfill those vacancies accordingly (i.e., part-time with part-time and full-time with full-time). These agreements only apply to the initial 16 DNP worker job openings.

If any of the 10 Senior Representatives in Revenue Collections are bumped by Senior Representatives with more seniority as a result of Company initiatives, it will not impact the number of positions being eliminated through attrition.

The succession and special meter reading duties will be primarily, but not exclusively, assigned to UAWA represented employees. As a result, 10 new full-time meter reader job openings will be filled. Management intends to assign work other than succession/special reads to DNP workers represented by the USWA and IBEW, whenever there is other productive work available for them to perform within their job classifications. However, this does not restrict management's right to assign those employees to perform such meter reads. The Company agreed to backfill part-time meter reader positions that are vacated as a result of part-time meter readers accepting any of the initial 10 new full-time meter reader positions.

This agreement is made between the parties without prejudice to the position of either party regarding the jurisdiction, assignment and contracting of work. However, the Union agrees that no grievances will be filed or pursued relating to the assignment of work as described above, for the duration of this agreement. To the extent that the Company has retained its rights with regard to making future changes to this, or any other work processes in the future, the Union retains its right to grieve in the event that management implements changes to the above-described terms for achieving the DNP, succession and special meter reading work. In this context, however, it is also understood that slight modifications to this overall business plan may be made, as long as the plan's basic design remains in effect.

The team of management and union leaders is commended for their commitment to meeting the present day business needs in a competitive manner. It is expected that all parties will benefit by this plan for achieving this work with company employees. Please sign where indicated below to indicate the Union's agreement to the above terms.

For the Company:

Todd Arnold 5/14/03  
Todd Arnold Date  
V.P., Customer  
Contact Services

Patricia K. Walker 5/14/03  
Patricia K. Walker Date  
V.P., Billing &  
Metering Services

For the Union:

Mary Hartman 5-15-03  
Mary Hartman Date  
President  
Local Union 600, IUU  
Utility Workers Union  
Of America

Cc: J. O'Conner  
J. Polley

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

June 10, 2004

Ms. Mary Harthun  
President  
Local Union 600, IUU  
Utility Workers Union of America  
810 Brighton Street  
Newport, Kentucky 41071



Re: Post-Retirement Medical Benefits

Dear Ms. Harthun:

On April 27, 2004, the Company met with union representatives from UWUA Local 600, USWA 5541-06 and 12049 and IBEW 1347 to continue the negotiations for providing a post-retirement health reimbursement account ("HRA") option (the "HRA Option") to our active employees. Prior to that meeting, in a letter dated March 2, 2004, the Company provided the unions (I) a written overview of the Company's proposed design for the HRA Option, and (II) written responses to certain related questions. This letter updates the Company's proposed design for the HRA Option.

**I. OVERVIEW OF HRA OPTION**

All current, full-time employees represented by UWUA, Local 600 will be able to make a one-time choice between continuing in the current traditional post-retirement medical option (the "Traditional Option") or electing to participate in the new HRA Option described below. Employees will be required to make this election by a specified election date in 2004. (Notwithstanding the foregoing, employees currently receiving long-term disability benefits or on a military leave of absence, will make this election when they return to active, full-time status. If they do not return to active, full-time status, they will default to the Traditional Option.) All employees hired or rehired on or after January 1, 2005 will participate in the HRA Option. Each employee who elects to participate in the HRA Option, and each employee hired on or after January 1, 2005, will be referred to as a "HRA Participant" herein.

Under the Traditional Option, eligible retirees (those who retire after attaining age 50 with five (5) years of Service, as defined in the applicable Pension Plan) are provided access to group medical coverage and a premium subsidy that varies based upon the retirees' service and classification (see detail regarding the various classifications and subsidy levels attached hereto).

Subject to any collective bargaining obligation, the Company reserves the right to amend, modify or terminate the Traditional Option and/or the HRA Option at any time. However, amounts already credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

A-42



Ms. Mary Harthun  
June 10, 2004  
Page 2

The benefit under the HRA Option is based on a bookkeeping account that can grow like a savings account with service and interest credits as described below. An employee who elects the HRA Option will start with an opening balance that is equal to 1/12th of \$1,000 for each prior calendar month in which the HRA Participant worked at least one day for the Company. In the future, the Company will credit eligible HRA Participants with an additional 1/12th of \$1,000 for each calendar month in which the HRA Participant works at least one day for the Company. The Company will also credit each eligible HRA Participant's bookkeeping account with an annual interest credit. Interest will be credited at the same interest rate as the cash balance updates as determined in August of each year, except that for the term of the current labor agreement, the interest rate will not be less than 3.5%; for 2004, the rate is 5.31%. Except as discussed below, only HRA Participants who are active, full-time employees and work at least one day in the month are eligible for the monthly service credit. Like retirees in the Traditional Option, HRA Participants will have access to group medical coverage only if they retire after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), however, there will be no subsidy. Please note the following regarding the HRA Option:

- a. If a HRA Participant retires after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), the amounts credited to the HRAs generally can be used for the qualified medical expenses, as defined in Section 213(d) of the Internal Revenue Code, of the retiree and the retiree's spouse and eligible dependents (see IRS publication 502 for examples of qualified medical expenses). To the extent permitted by applicable law and as is otherwise practicable, the HRA option is intended to provide a tax-free benefit. Due to future law changes, however, there can be no assurance of favorable tax treatment.
- b. Except as provided below, if the employment of a HRA Participant terminates prior to attaining age 50 with five (5) years of Service (as defined under the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- c. If a HRA Participant dies while actively employed prior to attaining age 50 with five (5) years of service (as defined in the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- d. If a HRA Participant dies while actively employed after attaining age 50 with five (5) years of Service, his/her spouse and eligible dependents will be entitled to use amounts credited to the HRA to pay qualified medical expenses immediately.
- e. In the event of disability or leave, the Company will continue monthly service credits for the first 12 months. The Company will continue interest credits while the HRA Participant is disabled or on leave (and prior to recovery or retirement). For HRA Participants on a military leave, service credits and interest credits will continue for the full qualified leave period.

Ms. Mary Harthun  
June 10, 2004  
Page 3

- f. If the employment of a HRA Participant is involuntarily terminated in connection with an involuntary reduction in force and such termination is in no way related to performance deficiencies, the HRA Participant will be eligible to maintain his/her HRA balance as of termination. The HRA Participant will be able to use amounts held in his/her HRA Account immediately following the termination.
- g. For the term of the current Collective Bargaining Agreement, the Company will agree not to amend, modify or terminate retiree health care benefits for any active employees covered by the CBA. Amounts credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

## II. QUESTIONS

Set forth below are responses to some of the questions regarding the HRA Option raised in previous meetings.

**1. Will the Company offer choice to all employees?**

**A:** Yes. Presently, the Company plans to allow all current, full-time employees to elect to stay in the Traditional Option or switch to the HRA Option. After January 1, 2005, new hires and rehires will automatically participate in the HRA Option.

**2. Will an employee be able to elect the HRA Option upon retirement?**

**A:** No. A one-time election will take place in 2004.

**3. Can a HRA Participant withdraw amounts credited to his/her HRA account in cash upon retirement? Can the Company pay the amount out in a lump sum?**

**A:** Money may be withdrawn from the HRA account only for paying qualified medical expenses. The account will not be paid out in cash. Favorable tax treatment is available for a HRA only if the HRA reimburses medical expenses as defined in Section 213(d) of the Internal Revenue Code. As stated below from IRS Notice 2002-45, any right to receive cash will disqualify the HRA from receiving favorable tax treatment.

\*An HRA does not qualify for the exclusion under § 105(b) if any person has the right to receive cash or any other taxable or non-taxable benefit under the arrangement other than the reimbursement of medical care expenses. If any person has such a right under an arrangement currently or for any future year, all distributions to all

Ms. Mary Harthun  
June 10, 2004  
Page 4

persons made from the arrangement in the current tax year are included in gross income, even amounts paid to reimburse medical care expenses. For example, if an arrangement pays a death benefit without regard to medical care expenses, no amounts paid under the arrangement to any person are reimbursements for medical care expenses excluded under § 105(b)... Arrangements formally outside the HRA that provide for the adjustment of an employee's compensation or an employee's receipt of any other benefit will be considered in determining whether the arrangement is an HRA and whether the benefits are eligible for the exclusions under §§ 106 and 105(b). If, for example, in the year an employee retires, the employee receives a bonus and the amount of the bonus is related to that employee's maximum reimbursement amount remaining in an HRA at the time of retirement, no amounts paid under the arrangement are reimbursements for medical care expenses for purposes of § 105(b)..."

4. **What happens to the HRA balance upon disability or extended leave from the Company?**

**A:** See Section I(e).

5. **What happens to the HRA balance in the event of a termination of employment?**

**A:** See Section I.

6. **What happens to the HRA balance if I die while actively employed?**

**A:** See Sections I(c) and I(d). Currently, the spouse and eligible dependents of an employee who dies while actively employed with Cinergy can elect to become covered under the non-union medical plan and receive subsidized coverage at the active employee rate until death or a disqualifying event (for the spouse, this would include, but not be limited to, remarrying or becoming Medicare eligible; for an eligible dependent, it would include, but not be limited to, ceasing to qualify as an eligible dependent due to age).

7. **Will the Company contributions be indexed in future years (e.g., indexed to the trend line for health care costs)?**

**A:** No. At this time, we do not plan to align our service credit or interest credit to any index. However, the Company will continue to evaluate its crediting levels. Subject to any collective bargaining obligations, the Company reserves the right to make adjustments, including increasing, decreasing or discontinuing credits unilaterally.

Ms. Mary Harthun  
June 10, 2004  
Page 5


8. **Will the opening HRA balances be calculated with retroactive interest crediting?**
- A: No. Making retroactive interest credits would be cost prohibitive from the Company's perspective.
9. **What are other companies doing with regards to post-retirement healthcare?**
- A: See Hewitt survey previously provided (51% of survey respondents have a unionized workforce).
10. **How can HRA Participants use amounts credited to the HRA?**
- A: Money credited to a HRA can be used to reimburse the HRA Participant for medical expenses as defined in Section 213(d) of the Internal Revenue Code. See IRS publication 502 for examples of qualified medical expenses.
11. **Who will administer the HRA account balances?**
- A: Hewitt Associates will track the HRA credits while HRA Participants are actively employed. The Company is reviewing proposals from third party administrators for post-retirement administration, but this will likely be Hewitt Associates.
12. **Will the HRAs be protected/guaranteed?**
- A: The benefit under the HRA option is based on a bookkeeping account and is not funded like a 401(k) plan. See Section I regarding the Company's ability to amend.
13. **If the Company decides to eliminate the Traditional Option at a later date, would employees be allowed to get in the HRA?**
- A: The Company periodically evaluates its benefit programs and would determine the appropriate course of action at that time.
14. **Would interest on the HRA account continue to accrue after an employee retires?**
- A: See Section I.
15. **If two CInergy employees are married, can they make different elections with respect to the HRA Option?**

Ms. Mary Harthun  
June 10, 2004  
Page 6

- A: Yes, one could elect to remain in the Traditional Option, and the other could elect the HRA Option; if they remain married during retirement and so elect, they would receive subsidized coverage under the Traditional Option and have access to amounts credited to the HRA on behalf of the other spouse. Regardless, the elections are independent of each other.

Please note that the explanation set forth above merely summarizes the basic elements of our currently proposed design for the HRA Option. The Company is in the process of working out the details of the HRA proposal and necessarily reserves the right to work out those details. The Company also reserves the right to more fully document the HRA Option, which option will be governed and construed in accordance with the terms of the Plan as adopted by the Company.

Very truly yours,

  
John E. Polley  
General Manager  
Labor Relations

cc: T. Verhagen  
P. Gibson  
K. Feld

bcc: L. Gregory

What are other companies doing with regards to post-retirement healthcare? Hewitt Associates conducted a survey for the Henry J Kaiser Family Foundation between June and September 2003 to understand how large private-sector employers are handling retiree health benefits. The survey included responses from 45% of all Fortune 100 companies and 30% of all Fortune 500 companies. Among the companies surveyed this is what they had to say:

- 10% have terminated all subsidized health benefits for future retirees
- 20% say they are very likely to terminate all subsidized health benefits for future retirees
- 35% of the firms terminated benefits for future retirees and now provide access-only to health benefits with the retiree paying 100% of the cost
- 6% of employers shifted to a defined contribution approach
- 71% report having increased retiree contributions to premiums in the past year 53% report increases to plan design cost sharing
- 57% increased prescription drug co-payments
- 12% now require mandatory mail-order refills for maintenance drugs

**Summary of Post-Retirement Health Care Options**

**Current Post-Retirement Health Care Option**

Employees hired before January 1, 2005, who elect the subsidy option and who retire from the company on or after age 60 with at least five years of service, may be entitled to a post-retirement health care subsidy from the company dependent on their years of service at retirement.

**Subsidy Schedule:**

<b>Service at Retirement</b>	<b>(Pre-65 only)</b>
30+	50%
29	45%
28	40%
27	35%
26	30%
25	25%
24	20%
23	15%
22	10%
21	5%
20	0%
19	0%
18	0%
17	0%
16	0%
15	0%
14	0%
13	0%
12	0%
11	0%
10	0%
9	0%
8	0%
7	0%
6	0%
5	0%

April 13, 2012

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Amendment to Sidebar Letter A-42 Post-Retirement Medical Benefits

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed Sidebar Letter A-42 dated June 10, 2004 regarding post-retirement medical benefits. As a result of those discussions, the parties agreed that Sidebar Letter A-42 will (i) continue to apply without modification for employees hired prior to January 1, 2013, and (ii) be amended to reflect that any employee hired or rehired on or after January 1, 2013 will not participate in the HRA Option or the Traditional Option (both as defined in Sidebar Letter A-42). It follows that Sidebar Letter A-42 is hereby amended as set forth below:

In the second full paragraph on page one of Sidebar Letter A-42, the fifth and sixth sentences are hereby deleted and replaced with the following:

- All employees hired or rehired on or after January 1, 2005 and before January 1, 2013 will participate in the HRA Option. No employee hired on or after January 1, 2013 will participate in the HRA Option or the Traditional Option.
- No employee rehired on or after January 1, 2013 will continue to participate in the HRA Option or the Traditional Option following such rehire date. Any such rehired employee who was participating in the HRA Option or the Traditional Option at the time of such employee's prior termination of employment:
  - (i) shall be eligible for access to the HRA or premium subsidies, as applicable, only if he or she was eligible for such HRA access or premium subsidies at the time of such prior termination of employment, and
  - (ii) shall not accrue additional benefits under either the HRA Option or the Traditional Option.
- Employees hired or rehired on or after January 1, 2013 who retire after attaining age 50 with at least five (5) years of service under the applicable Pension Plan are provided unsubsidized access to post-retirement medical coverage.
- Each employee who elected to participate in the HRA Option, and each employee hired on or after January 1, 2005 and before January 1, 2013 will be referred to as an 'HRA Participant' herein.

**A-42a**



Any provision of Sidebar Letter A-42 that is inconsistent with the above shall be deemed no longer in effect. Except as provided herein, the remaining provisions of Sidebar Letter A-42 continue in full force and effect.

It is believed that this letter accurately reflects the parties' agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro". The signature is written in a cursive, somewhat stylized font.

Jay R. Alvaro  
Vice President, Labor Relations



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Post Retirement Healthcare

Dear Mr. Anderson:

During the 2015 negotiations, the parties discussed post-retirement healthcare benefits. This letter amends the Post-Retirement Medical Benefits Sidebar Letter A-42 dated June 10, 2004 and A-42a dated April 13, 2012, and confirms these discussions and the resulting agreement.

Access to Post-Retirement Health Benefits

Employees who terminate on or after October 1, 2015 after attaining at least age 50 with at least 5 years of service will have unsubsidized access (i.e. no Company contributions) to post-retirement medical, dental, and vision coverage. Coverage for retirees age 65 and older will be provided on an unsubsidized basis through a Medicare Coordinator. The Company shall provide a subsidy contribution towards the cost of post-retirement health coverage only as provided below in this letter.

Subsidies/Company Contributions - Traditional Option

For employees who terminate on or after October 1, 2015 the "Traditional Option" is hereby amended to provide contributions towards the cost of post-retirement healthcare coverage, in the form of credits to a newly established Subsidy Health Reimbursement Account ( "Subsidy HRA" ) only for individuals who are under age 65 and who are:

- In a group eligible for a medical subsidy under the rules in effect prior to October 1, 2015, which is limited to those hired prior January 1, 2013; and
- At least age 55 with at least 10 years of service at termination of employment.

The amount of the contributions will vary as follows:

- Eligible employees age 50 or older by October 1, 2015 will receive (during retirement) a pre-65 contribution of \$350 per month, plus \$175 per month for their spouse/domestic partner, if any; and
- Eligible employees younger than age 50 as of October 1, 2015 will receive (during retirement) a pre-65 contribution of \$250 per month, plus \$125 per month for their spouse/domestic partner, if any.

Subsidies/Company Contributions - HRA Option

Effective October 1, 2015, the "HRA Option" is hereby amended such that:

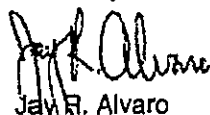
- The Company will discontinue crediting 1/12 of \$1,000 each month to the health reimbursement accounts for those employees who have a health reimbursement account under the HRA Option, with interest credits continuing; and
- The Company will offer a choice window in 2015 to employees who have a health reimbursement account under the HRA Option to elect whether to continue in the HRA Option (modified as described in the above bullet) or to forego their rights to their modified health reimbursement accounts under the HRA Option in exchange for participation in the Traditional Option (modified to provide credits to a Subsidy HRA as described above).

Miscellaneous

The post-retirement health benefits described above will replace the post-retirement medical coverage options in effect prior to October 1, 2015, for employees who terminate on or after October 1, 2015, including those described in Sidebar Letters A-42 and A-42a. These benefits will be governed by and construed in accordance with the applicable plan documents.

In all other respects, Sidebar Letters A-42 and 42a shall continue in accordance with their terms.

Sincerely,



Jay R. Alvaro  
Director, Labor Relations  
Duke Energy

April 21, 2005

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Mr. Jim Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

**CINERGY.**  
CG&E

Re: Temporary Upgrading

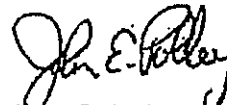
Dear Mr. Anderson:

During the 2005 contract negotiations, representatives of the Company and the Union discussed temporarily upgrading employees in clerical and technical job classifications.

The Agreement provides that temporary upgrading shall only be available for manual employees. However, as a result of these discussions, the Company will agree, during the term of the 2005 - 2008 Agreement, to permit clerical and technical employees to be temporarily advanced to higher classifications. Employees will only be given consideration for temporary advancement when they actually replace another employee in a higher job classification for a full day or more; or supervision deems there is a need for an employee to fulfill the duties of a higher classified job for a full day or more. When employees are temporarily upgraded they will receive the minimum rate of the higher job classification or \$4.00 per week more than their current wage rate, whichever is greater. When selecting the individual to be temporarily advanced, the management will give consideration to seniority and rotation among qualified employees. Such upgrading will not take place when the work duties of another employee are distributed among several other employees, or when employees perform duties of higher classified jobs for training purposes. Temporary upgrades will not apply to the Statistical Typist, Typist Clerk, Receptionist Typist, Stenographer or Senior Stenographer job classifications.

The Company voiced a serious concern about the potential for voluminous grievances if temporary upgrading is permitted for non-manual employees as described. As agreed, no grievances will be processed by the Union as a result of this limited exception to Article XII, Section 6 of the Agreement.

Very truly yours,



John E. Polley  
General Manager  
Labor Relations

**A-46**

April 21, 2005

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Mr. Jim Anderson  
President  
Local Union 600, IUU  
Utility Workers Union of America  
810 Brighton Street  
Newport, Kentucky 41071

**CINERGY.**  
CG&E

Re: East Meter Reading

Dear Mr. Anderson:

During the 2005 contract negotiations, representatives of the Company and the Union discussed the use of part-time Cinergy East Meter Readers.

The parties thoroughly discussed the Company's utilization of part-time employees to supplement the Meter-Reading work force. While plans to utilize technology such as Automated Meter Reading on a wide spread basis are still on the horizon, it is almost certain some form of AMR technology will be utilized in the near future that will reduce the need for meter readers to perform manual meter reading and field data collection.

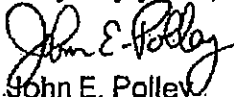
The Company will continue to use part-time Meter Readers in the current manner and under the following conditions:

1. The meter reading work force will receive any base wage percentage increases applicable to the rest of the clerical workforce.
2. The starting wage rate for part-time meter readers will continue to be \$12.00/hour. The minimum wage rate for new full-time meter readers will continue to be \$14.00 per hour. These minimum wage rates will not be increased by negotiated base wage increases.
3. All part-time Meter Readers will be entitled to part-time employee benefits for employees working 20-31 hour per week, unless their regular schedule is less than 20 hours per week and in that case they will receive the benefits appropriate to that category, if any.
4. Part-time Meter Readers will not receive any overtime assignments unless the available full-time Meter Readers at that headquarters have been asked to participate in such overtime.
5. Part-time Meter Readers will receive the appropriate compensation for overtime when they work in excess of 8-hours in a day or any other regularly scheduled shift that is longer than 8 hours.

**A-48**

6. Any future full-time openings in division offices will be first offered to voluntary transfers of current qualified full-time Meter Readers. Regular employees who accept may be required to work overtime, regardless of the employee's age.
7. All Meter Readers will be trained as appropriate. Only volunteer union members would be utilized to train part-time Meter Readers in the field. If no one volunteers, supervision will conduct the training in the field.
8. In order to meet the meter-reading workload, the Company will have the option of adding either full-time or part-time employees to the meter-reading work force.
9. Part-time Meter Readers will be held accountable to the same performance standards as the regular meter reading work force. Additionally, supervision must maintain the right to evaluate and change the number of meters on each route.
10. New full-time Meter Readers and part-time Meter Readers will be eligible for \$0.25 merit increases every six months, until their wage rates equal their maximum wage rates.

By proceeding in this manner, the future impact on regular full-time East Meter Readers will be minimized.

Very truly yours,  
  
John E. Polley  
General Manager  
Labor Relations

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

April 21, 2005

Mr. Jim Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky  
Cincinnati, Ohio 45202



Re: Interplant Seniority Rights

Dear Mr. Anderson:

During the 2005 negotiations, representatives of the Company and the Union discussed the interplant seniority rights for employees at the electric generating stations, in the event of a surplus situation.

As agreed, during the term of the 2005 - 2008 Agreement, should the Company declare a surplus at one of its electric generating stations and affected employees cannot be absorbed into the work force at the plant, all of the electric generating stations within the CG&E service territory will be considered one department for purposes of administering roll-backs. The intent is to provide the more senior employees at the station with a surplus situation, the ability to bump the less senior employees at the other stations. The wage rates of surplus employees will be red circled.

By proceeding in this manner, the Union's concern in this matter is alleviated.

Very truly yours,

A handwritten signature in black ink that reads "John E. Polley".

John E. Polley  
General Manager  
Labor Relations

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

April 21, 2005.

Mr. Jim Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

**CINERGY.**  
CG&E

Re: Treatment for Substance Abuse

Dear Mr. Anderson:

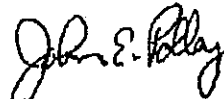
During the 2005 negotiations, representatives of the Company and the Union discussed the compensation policy for employees who undertake treatment for substance abuse.

While the treatment of these conditions is specifically excepted from coverage under the sick leave provisions of the Agreement, the Company will, for the term of the 2005 – 2008 Agreement, continue the arrangement of providing short-term disability benefits (STD) to employees who obtain treatment at an appropriate detoxification facility under the direction of the Company or in coordination with the Company and the employee's personal physician. Available STD may only be used for the first continuous absence when an employee undertakes to correct a substance abuse problem through an approved program. If the initial rehabilitation effort at a treatment center is not successful, the employee will not be granted additional STD.

The Company is willing to extend this extra effort to help afflicted employees and their families, to eliminate the burden imposed upon fellow employees, and to minimize lost productivity and absenteeism caused by substance abuse. Employees who are unwilling to accept the responsibility for their own behavior or who refuse to participate in a necessary program will, as in the past, jeopardize their continued employment with the Company.

The Union is encouraged to make the Company aware of individuals thought to have substance abuse problems. With such assistance, fellow employees may be given a chance for which they may be forever grateful.

Very truly yours,



John E. Polley  
General Manager  
Labor Relations

**A-50**



Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

April 21, 2005

Mr. Jim Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071



Re: Personal/Diversity Day Requests

Dear Mr. Anderson:

It was agreed that the individual departments would attempt to accommodate as many requests as possible to take a personal/Diversity or vacation day on Martin Luther King, Jr. Day, Presidents' Day and/or Good Friday during the term of the 2005 - 2008 Agreement. All requests for a personal/Diversity or vacation day must be made by employees at least 7 days in advance. Days requested with the 7 day advance notice will not be considered as an absence for determining an individual attendance record.

It is thought that this agreement will be mutually beneficial for all involved.

Very truly yours,

A handwritten signature in black ink that reads "John E. Polley". The signature is written in a cursive, flowing style.

John E. Polley  
General Manager  
Labor Relations

**A-51**

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

April 21, 2004 2005

Mr. Jim Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071



Re: Vacation Carryover

Dear Mr. Anderson:

During the 2005 negotiations, representatives of the Company and the Union discussed carryover vacations.

As agreed, for the term of the current Agreement, employees entitled to a vacation may carryover up to one week of vacation to the next year. The carryover of vacation must be approved by supervision. Furthermore, vacation carried over may be taken any time during the following calendar year.

This letter describes the agreement concerning the carryover of vacation.

Very truly yours,

A handwritten signature in black ink that reads "John E. Polley".

John E. Polley  
General Manager  
Labor Relations

April 21, 2004 2005

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Job Elimination Situations



Dear Mr. Anderson:

During the 2005 contract negotiations, representatives of the Company and the Union discussed the possibility of employees bumping other employees with less system service seniority at the same wage level in other job classifications in the event of a job elimination situation.

During the discussions the Union wanted the Company to agree to allow senior employees at a given wage level within a bidding area, the right to bump junior employees in other job classifications at the same wage level within the same bidding area, even though the senior employees had never been in the job classification(s) occupied by the junior employees. Due to the potential for a significant loss in productivity, the Company could not agree to that arrangement. However, during the term of the 2005 – 2008 agreement, it was agreed that if such a situation should arise, the Company would work with the Union on a case-by-case basis, in an attempt to place such employees in other available job classifications at the same wage level within the same bidding area. It was further agreed that if the Company is unable to place such employees in job classifications at the same wage level within the bidding area and they have 25 or more years of system service, they will maintain their job titles and wage levels and be eligible for negotiated increases and bonuses. This only applies when such employees with more system service seniority are qualified, but cannot bump into a same wage level job within the bidding area, held by a junior system service seniority individual because they have not passed through the other job.

It was also agreed that should a job elimination situation occur during the term of this Agreement, at the request of the Union, the parties would meet to discuss the rollback procedure described in Article V, Section 3, which may be revised by mutual agreement of the parties.

This accurately reflects the agreements reached between the parties.

Very truly yours,

A handwritten signature in black ink that reads "John E. Polley".

John E. Polley  
General Manager  
Labor Relations

**A-55**



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Retirement Plan Agreement

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the Company's desire to migrate all employees to a common benefits program. The following outlines the agreement between the Company and the Union for providing the employees with options and protections for Retirement Plan participation that will remain in effect during the 2008 – 2012 Contract.

**Traditional Retirement Program Frozen:**

Participation in the Cinergy Traditional Retirement Program will be frozen as of January 1, 2013 for certain employees. Active employees on January 1, 2013 who are younger than age 50 (as of December 31, 2012) and anyone who is older than 50 but has fewer than 25 years of service (as of December 31, 2012), will automatically begin participating in the New Duke Retirement Program.

**Voluntary Conversion Opportunities:**

Active employees in the Traditional Retirement Program will be offered a voluntary window in 2008 to elect to remain in the Traditional Pension Program or elect the New Retirement Program. In 2012, a second voluntary window will be offered only to those active employees who remain in the Traditional Program and who are age 50 with 25 years or more of service as of December 31, 2012.

**Voluntary Conversion to the New Retirement Program:**

**Part A Benefit (Part A):** The pension plan benefit employees will earn under the Traditional Program will be based on their participation service as of the "day before conversion date" and their final average monthly pay at retirement (not the date of conversion).

AND

**Part B Benefit (Part B):** On the "conversion date," employees will start earning an additional pension plan benefit through a new formula that "mirrors" the Duke Energy Retirement Cash Balance Plan.

The Company matching contributions for the 401(k) plan will be enhanced to mirror the Duke Energy Retirement Savings Plan. As a result, employees will be eligible to receive higher matching contributions on a broader definition of pay. The higher

**A-58**

Mr. James W. Anderson  
June 2, 2008  
Page 2

amount is a dollar-for-dollar match on the first 6% of eligible pay (this includes base, overtime and annual incentive pay).

Employees will also begin participating in an annual incentive plan with greater award opportunities (up to 5%).

**With Mandatory Conversion to the New Retirement Program:**

1. Mandatory conversion will be effective January 1, 2013 for employees who have elected to remain in the Cinergy Traditional Retirement Program. Other terms applicable to the mandatory conversion are as follows:
  - a. The final average monthly pay for retirement will be frozen at the time of conversion (no pay run up).
  - b. Employees will have no choice between annuity and lump sum on Part A; only the current traditional program annuitant options will be available for Part A.
  - c. Can still grow in to the 85 points.
  - d. Employees will receive the enhanced 401(k) and enhanced incentive pay as described above once they mandatorily convert.

**Employees Currently in the Cash Balance Plans:**

Employees who previously selected one of the Cinergy cash balance plans (Balance or Investor) will automatically transition to the New Retirement Program as soon as administratively possible, but no later than January 1, 2009, to include participation in a cash balance pension plan that mirrors the Duke Energy Retirement Cash Balance Plan and an enhanced 401(k) plan to mirror the Duke Energy Retirement Savings Plan and an enhanced annual incentive plan as described below:

**Annual Incentive Plan Summary Changes for those who elect or automatically move to the New Retirement Program:**

In conjunction with the New Retirement Program, all participants who volunteer or upon mandatory conversion to the New Retirement Program will be eligible for up to a 5% maximum annual incentive pay (payable in 2010) based on the achievement of goals as set forth below:

**NEW RETIREMENT PROGRAM – UEIP**

Goal	Level 1	Level 2	Level 3
Company Financial Result	.75%	1.5%	3%
Safety	.5%	.75%	1%
Customer Satisfaction	.5%	.75%	1%
	1.75%	3.0%	5.0%

Mr. James W. Anderson  
June 2, 2008  
Page 3

Annual Incentive Plan Summary Changes for those who do not elect the New Retirement Program:

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will continue their eligibility for the current Cinergy 401(k) Plan formula and will begin participating in an annual incentive plan, with a maximum award of 2% based on the achievement of goals as set forth below:

**TRADITIONAL RETIREMENT PLAN -- UEIP**

Goal	Level 1	Level 2	Level 3
Company Financial Result	.5%	.75%	1%
Safety	.25%	.375%	.5%
Customer Satisfaction	.25%	.375%	.5%
	1.0%	1.5%	2.0%

The Retirement Conversion Agreement Survives the 2008 – 2012 Contract:

The Company and the Union expressly understand and agreed that the Retirement Program conversion agreement shall continue in full force through January 1, 2013, surviving the termination of the 2008 – 2012 Contract, and shall continue in full force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,



Jay R. Alvaro  
Vice President



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Amendment to A-58 Retirement Plan Agreement

Dear Mr. Anderson:

During the 2015 negotiations, the Company and the Union discussed changes to the Company's retirement programs. This letter sets forth the changes that were agreed to by the Company and the Union.

Retirement Benefits for New Hires

For employees hired or rehired on or after January 1, 2016, the Company will provide an annual contribution to the Duke Energy Retirement Savings Plan ("RSP") in the amount of 4% of the employee's annual compensation (including base, overtime, and incentive compensation) in accordance with the RSP plan documents. Such newly hired or rehired employees also will be eligible for the Company-provided matching contribution equal to 100% of the before-tax (and Roth) contributions made up to 6% of eligible compensation in accordance with the RSP plan documents on the same basis as employees hired or rehired prior to January 1, 2016. Employees hired or rehired on or after January 1, 2016 will not be eligible to participate in the Cinergy Corp. Union Employees' Retirement Income Plan (the "Retirement Income Plan").

Cash Balance Interest Credit

The cash balance interest credit rate under the Retirement Income Plan for pay credits made on and after January 1, 2016 will be based on a 4% interest rate (0.327% monthly equivalent interest rate). For purposes of clarity, the cash balance interest credit rate applies to cash balance participants and the Part B benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit. The Part A (traditional) portion of the participant's benefit will not be affected by this change.

Retirement Income Benefit for Long-Term Disability

A participant who starts receiving long-term disability benefits on or after July 1, 2016 will receive interest credits under the Retirement Income Plan's cash balance formula while disabled, but will not receive pay credits while long-term disabled, in accordance with the Retirement Income Plan documents. This change will not apply for any individual who starts receiving long-term disability benefits before July 1, 2016, or participants under the traditional formula, or for the Part A benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit.

For purposes of clarity, as previously agreed, the Company may in its discretion merge the Retirement Income Plan into the Duke Energy Retirement Cash Balance Plan or other defined benefit plan maintained by the Company. In accordance with applicable law, any such merger will not reduce participants' accrued benefits.

The complete provisions of the Company's retirement plans are set forth in the plan documents, as amended to make administrative changes, legally-required changes and/or technical changes that do not reduce the benefits formula. In the event of a conflict between any other communication and the plan documents themselves, the plan documents control.

It is thought that this letter accurately describes the agreement reached by the parties regarding amendments to Sidebar Letter A-58 relating to retirement plan agreements.

Sincerely,



Jay R. Alvaro  
Director, Labor Relations  
Duke Energy





DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Sabbatical Vacation Bank and Vacation Credit Programs

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs.

As agreed, these programs shall be phased out in accordance with the attached document, Attachment A, which outlines the specific revisions to the Sabbatical Vacation Bank and Vacation Credit Programs that will remain in effect through December 31, 2012.

The Company and the Union expressly understand and agreed that the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs, as stated in the attached document, shall continue in full force until December 31, 2012, surviving the termination of the 2008 – 2012 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,

Jay R. Alvaro  
Vice President

Attachment

ATTACHMENT A

**REVISIONS TO THE SABBATICAL VACATION BANK  
AND VACATION CREDIT PROGRAMS  
FOR UWUA, LOCAL 600**

Effective January 1, 2009, the Vacation Bank and Vacation Credit Programs will be phased out over a four year period and will be ending on December 31, 2012.

**THE CHANGES:**

**Sabbatical Vacation Program:**

- The sabbatical banking program will be eliminated for employees who are younger than 47 years old as of December 31, 2008.
- Employees who are 47 years old or older as of December 31, 2008 will be eligible to continue banking vacation until December 31, 2012, up to the limits described on the schedule below.
- Employees who have already banked more than the maximum amount of vacation based on the schedule below (including any vacation credits) cannot bank more after January 1, 2009 but will be grandfathered with the amount they have banked.
- No additional banking will be permitted after January 1, 2013. Therefore, the last opportunity to bank vacation will be in December 31, 2012 because banking is done at the end of the year.
- Banked vacation will be paid out at the final rate of pay at retirement.

**Vacation Credit Program:**

- **Vacation Credits:** Up to six weeks credit, starting at age 51, cannot exceed the employee's vacation entitlement.
- Employees who are at least 51 years old as of December 31, 2012 will continue to receive "vacation credits" up to the lesser of their annual vacation entitlement or the schedule below.
- The vacation credit program will be modified for employees who are younger than 51 years old as of December 31, 2012. For those employees "only" hired prior to January 1, 1997 will receive their "vacation credits" up to the amount of vacation time they were eligible for as of January 1, 2006.
- Vacation credits will be paid out at the final rate of pay of retirement.

**Service Credit Program:**

- **Service Credits:** Up to two weeks for years 32 and 33 years of employment in lieu of a 6<sup>th</sup> week of vacation time off.
- Employees will continue to receive one week of "service credit" added to their vacation bank in years 32 and 33 of employment in lieu of time off until December 31, 2012. Effective January 1, 2013, employees will be granted a 6<sup>th</sup> week of vacation time off during their 32<sup>nd</sup> year of employment in lieu of a week of service credit.
- An employee who has already reached their maximum or more of vacation bank before January 1, 2013 will receive their 6<sup>th</sup> week of vacation as "time off" in lieu of a service credit.

**THE SCHEDULE:**

Age as of: 12/31/2008	Maximum Banked Vacation (including vacation and service credits)
47	10
48	10
49	10
50	12
51	14
52	16
53	18
54	20
55	22
56	22



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

June 2, 2008

Mr. James W. Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Union Employee Annual Incentive Program (UEIP)

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed that the payout for the incentive bonuses for employees will vary based on their participation in the offered retirement program.

Beginning with the 2009 goals and during the term of the 2008 – 2012 Agreement, the UEIP payout (payable in 2010) will be administered as follows:

Annual Incentive Plan Summary Changes for those who elect or automatically move to the New Retirement Program:

In conjunction with the New Retirement Program, all participants who volunteer, or upon mandatory conversion, will be eligible for up to a 5% maximum annual incentive pay, as specified below:

**NEW RETIREMENT PROGRAM – UEIP**

Goal	Level 1	Level 2	Level 3
Company Financial Result	.75%	1.5%	3%
Safety	.5%	.75%	1%
Customer Satisfaction	.5%	.75%	1%
	<b>1.75%</b>	<b>3.0%</b>	<b>5.0%</b>

Mr. James W. Anderson  
June 2, 2008  
Page 2


Annual Incentive Plan Summary Changes for those who remain in the Traditional Retirement Program:

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will participate in an annual incentive plan; with a maximum award of 2%, as specified below:

TRADITIONAL RETIREMENT PLAN – UEIP

Goal	Level 1	Level 2	Level 3
Company Financial Result	.5%	.75%	1%
Safety	.25%	.375%	.5%
Customer Satisfaction	.25%	.375%	.5%
	1.0%	1.5%	2.0%

Very truly yours,

  
Jay R. Alvaro  
Vice President



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Amendment to A-60 Letter Regarding the Union Employee Annual Incentive Plan (UEIP)

Dear Mr. Anderson:

During the 2015 contract negotiations, representatives of the Company and the UWUA, Local 600 ("Union") discussed eligibility for the Union Employee Annual Incentive Plan ("UEIP"). As a result of those discussions, the parties agreed to amend Letter A-60 dated June 2, 2008 as set forth below.

Beginning with the 2015 calendar year performance period under the UEIP, the Company will provide a prorated UEIP payment (calculated as set forth below) to any eligible Union employee who meets the following criteria during a performance period: (i) works for at least six complete calendar months, and (ii) retires (as defined below).

Such prorated UEIP payments shall be paid in the first quarter of the calendar year immediately following the applicable performance period at the same time and on the same basis as other UEIP payments are made to other eligible Union employees, and any such prorated UEIP payment shall be calculated based on the eligible earnings of the retired Union employee during the applicable performance period and actual achievement relative to the pre-established goals set forth in Letter A-60.

For purposes of clarity, in no event will a Union employee who does not meet the criteria set forth in this letter be eligible for a prorated UEIP payment for a performance period if he or she isn't employed on December 31st of the performance period. For purposes of this Letter, "retire" means separate from employment with the Company after having attained at least age 55 and 10 years of service (as determined for purposes of access to Company sponsored retiree medical coverage).

In other respects, Sidebar Letter A-60 shall continue in full force and effect herein for the duration of the 2015 - 2019 Agreement, unless changed by mutual agreement of the parties.

Sincerely,

Jay F. Alvaro  
Director, Labor Relations  
Duke Energy

Sidebar Letter A60a



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Cincinnati Call Center

Dear Mr. Anderson:

During the 2015 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the Duke Energy Cincinnati Call Center.

As agreed, the Cincinnati Call Center organization will consist of Customer Service Representatives (CSR) and Service Installation (SI). The CSR group will consist of the following subgroups: full-time incumbent CSRs; full-time new CSRs; part-time incumbent CSRs; and part-time new CSRs. Incumbents are defined as CSRs who were employees in the Cincinnati Call Center prior to the original Call Center agreement of 1996.

The Cincinnati Call Center wages will be administered per the attached (Attachment A). None of the existing CSRs will have their wage rate reduced as a result of these changes. Full time CSRs will be eligible to receive a \$0.50 merit increase every six months in accordance with the December 29, 2000 Patrick P. Gibson Letter in lieu of the annual general wage increase until reaching the maximum rate of pay. Once an employee reaches the maximum rate of pay, they will receive an annual lump sum equal to the negotiated general wage increase for clerical employees.

Incentives in the Cincinnati Call Center will be based on the achievement of established performance measures as determined by the Company. The Company will notify the Union at least 30 days prior to any change of the performance measures and will discuss with the Union upon written request. Any employee, who is serving in a non-call-taking role, will receive a bonus equal to the average bonus payout for call-takers, unless an alternative method is mutually agreed upon by management and union representatives. There will be a quarterly review by management and union representatives to ensure that bonus calculations are accurate. Assuming the union representatives involved in this review are in agreement with the calculations, the Union agrees not to support or process grievances related to the bonus calculations.

An incentive eligible employee, who leaves the Cincinnati Call Center, prior to the end of a quarter, will receive a prorated bonus for the time worked in the Cincinnati Call Center organization.

It is expected that representatives working evening, night, holiday or weekend shifts provide at least three hours notice if they are going to be unable to report to work, whether due to illness or other factors. It is understood that there will be times when an emergency occurs within three hours of the start of an employee's shift.

Employees (including SI), who are called out for other than planned overtime, will be paid a minimum of four hours at the appropriate overtime rate except when they come in, relative to storms, less than four hours before their scheduled shift. In this case, they will only be paid at the applicable overtime rate for a minimum of two hours.

The Call Center may elect to observe the actual holiday or the Company designated holiday based on business needs. Prior to December 31 of each year the Company will notify employees of the holiday schedule for the following year. Employees scheduled to work the holiday designated by the Call Center that are excused from work by the Company will receive holiday pay for the regularly scheduled hours they would have worked on the holiday. All other employees will receive eight hours of holiday pay. Twelve hour and nine hour employees working on the holiday designated by the Call Center will receive time and one-half pay for their scheduled hours. If the employee exceeds their scheduled hours, double time will be paid for those hours worked in excess of their schedule.

The Union agrees to support the following:

Virtual Routing (Base Call Center)

- The Union agrees to not grieve the routing of Duke Energy customer calls and other types of Call Center non-call work to available representatives within the Duke Energy Call Centers or outsourced center(s). The outsourced portion of this work is not subject to any related side-letter agreements.

Premium for Specialties

- Employees in developmental roles will receive \$1.75 per hour in addition to the employee's normal hourly wage rate. These roles currently include the training of new employees and performing the duties of On Job Trainer. This premium may be applied to other roles as determined by the Company. Prior to applying this premium to other duties, the Union and Company will meet at least thirty days in advance to discuss.
- Full-time new and part-time representatives, within the Cincinnati Call Center, who demonstrate, through assessment, that they are fluent in Spanish, will be paid a premium of \$1.00 per hour.

Applicable to Base Call Center Operations

Employees may be hired either as full time or part time based on business needs. The starting wage rate for new full-time Customer Service Representatives will be \$12.00 per hour and the maximum will be \$15.08 per hour. In accordance with the Collective Bargaining Agreement new employees will be classified as probationary for a period of one year. Probationary CSRs will not be eligible to apply for other positions for a period of twelve months from the date of hire. Employees meeting the educational requirements for technical positions represented by the UWUA will be eligible to apply within the twelve month period.

Based on business needs there may be a requirement for part time CSRs. All part-time CSRs will receive part-time employee benefits, regardless of the number of hours they work. While the intention is for part-time CSRs to be scheduled for less than 32 hours per week, they may exceed this number of hours due to actual or expected peak call volumes, trading of hours between employees, etc.

In 2012 two new schedules were agreed to;

- A) 3 twelve hour days and 1 four hour day.
- B) 4 nine hour days and 1 four hour day.

The Company reserves the right to implement these and other schedules based on business needs. At least 30 days prior to implementation, the Union and Company will meet to discuss the schedule.

The Company will make every attempt to notify effected employees within a reasonable amount of time when planned overtime is being cancelled.

The meal provision for twelve hour workers will be triggered when the employee works thirteen consecutive hours and fifteen consecutive hours with the employee receiving a meal, or compensation in lieu thereof. For employees on a nine hour schedule, a meal or compensation in lieu thereof, will be provided at eleven and fifteen consecutive hours respectively.

Personal days must be taken in full day increments regardless of the employee's schedule. Twelve hour shift workers will be entitled to three personal day and one diversity day and nine hour shift workers will be entitled to four personal days and one diversity day.

**Applicable to Service Installation**

Customer Service Representative – Service Installation (CSR-SI) within the Customer Relations bid area will have a minimum wage rate of \$16.50 and a maximum wage rate of \$19.00 per hour. Only full time employees will be considered for this position. The minimum and maximum wage rates are not subject to the negotiated annual wage increases. For the first 12 months after entry into the classification, and in accordance with the Patrick P. Gibson Letter, employees failing to meet performance standards may be demoted to the Full Time New job classification. Such demotion may take place prior to corrective action being taken. This does not preclude action being taken on more serious offenses such as but not limited to attendance, zero tolerance calls, or any dischargeable offense. Any demotion will not be subject to the grievance procedure. If such a demotion occurs, the employee's rate of pay will be reduced to the rate of pay at the time the employee promoted to the CSR-SI position plus any merit increase that the employee had received since their promotion, not to exceed the maximum wage rate for the CSR classification. If the employee is demoted, they will not be considered for promotion for an additional nine months, from the date of demotion or last corrective action. During the first six months, an employee can request to demote from CSR-SI. Employees who demote within six months will retain their classified seniority. Employees demoted after six months will receive an adjusted seniority date.

Employees in the CSR-SI classification will receive a \$0.25 merit increase every six months in accordance with the December 29, 2000 Patrick P. Gibson Letter until reaching the maximum rate of pay and will be eligible for the General Wage Increase. Once an employee reaches the maximum rate of pay, they will receive an annual lump sum equal to the negotiated general wage increase for clerical employees.

Employees accepting a Customer Service Representative – Service Installation position will not be eligible to cross or laterally bid for a period of nine months from the date they enter the classification.

This letter will be in effect during the term of the 2015 – 2019 Agreement.

Sincerely,



Jay J. Alvaro  
Director, Labor Relations  
Duke Energy



Title	Wage Range	Negotiated Base Wage Increases	Merit Increases	Corporate Incentive Bonus	Call Center Incentive Bonus
CSR <sup>1</sup>	\$12.00 - \$15.08	See #3	\$0.50 every six months	Yes	Up to \$500 per Quarter
CSR - PTI <sup>1</sup>	\$15.08	See #2	N/A	Yes	Up to \$375 per Quarter
CSR - PTN <sup>1</sup>	\$11.00 - \$12.00	See #2	\$0.25 every six months.	Yes	Up to \$375 per Quarter
CSR-SI <sup>1</sup>	\$16.50 - \$19.00	See #4	\$0.25 every six months.	Yes	See #5
Order Processing Rep	N9	Same as Clerical	\$0.25 every six months.	Yes	See #5

1. *The minimum and maximum wage rates for the Service Installation Representative, CSR-PTI, CSR-PTN, and CSR positions will not increase with annual base wage increases.*
2. *Any CSR, CSR-FTN, CSR - PTI, and CSR-PTN, with a wage rate at or above the maximum will receive their annual increase in the form of a lump sum rather than a base increase.*
3. *Semi-annual merit increases in lieu of General Wage Increase. Once an employee reaches the maximum rate of pay, the GWI will be in the form of a lump sum payment.*
4. *Employees below the maximum rate of pay will receive the General Wage Increase (GWI) applicable to the Clerical Unit. Once an employee reaches the maximum rate of pay, the GWI will be in the form of a lump sum payment.*
5. *Order Processing Representatives assigned to take base calls at least 35% of the quarter will receive the quarterly Call Center Incentive based on their performance.*
6. *Any employee below the new minimum rate of pay will be increased to new minimum with next payroll following contract ratification.*



June 2, 2008

Mr. James W. Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Part-Time Employee Benefits

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed benefits that would be extended to part-time employees represented by the Union. Accordingly, the following table outlines the benefits that these employees will receive during the term of the 2008 – 2012 Collective Bargaining Agreement.

Benefit	Comment
Pension	Only if work greater than 999 hours in a 365 day period
401(k)	Same as full time employees
Medical	Same as full time employees
Dental	Same as full time employees
Vision	Same as full time employees
Flex Spending Accounts	Same as full time employees
Short-Term Disability (STD)	After 12 consecutive months of employment
Bereavement	Day of funeral only
Holidays	Only if holiday falls on a regular scheduled work day
Personal Day	One personal day after 12 consecutive months of employment
Vacation	Number of hours regularly scheduled per week times # of vacation weeks based on years of service
Supplemental Workers' Compensation	Same as full time employees
Jury Duty & Witness Pay	Only if it falls on a regular scheduled work day
Shift/Sunday Premiums	Same as full time employees
Life and AD&D Insurance	Same as full time employees
Dependent Life Insurance	Same as full time employees

Very truly yours,

Jay R. Alvaro  
Vice President



June 2, 2008

Mr. James W. Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Meter Reading Travel Allowance

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the Meter Reading Travel Allowance and the cost of transportation resulting from rising gasoline prices.

As a result of those discussions, although the Company raised this allowance by \$1/day, the Company indicated its willingness to meet with representatives of the Union during the term of the 2008 – 2012 Agreement to discuss the allowance, if requested in writing by the Union.

Very truly yours,

A handwritten signature in black ink that reads 'Jay R. Alvaro'.

Jay R. Alvaro  
Vice President

**A-63**

April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Revenue Services Representatives

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed consolidating the current three work groups within the Revenue Services Department into one newly created job classification titled "Revenue Services Representative" (RSR).

Specifically, Revenue Services currently is comprised of three work groups: (1) Billing, (2) Accounts Receivables, and (3) Payments. These three work groups' functions will be combined and performed by the newly created RSR position. As part of the 2015 negotiations, the parties have agreed to the following;

1. **Wage Rate:** The minimum rate of pay for the RSA position is established at \$16.50 per hour, and the maximum wage rate is \$19.00 per hour. The minimum and maximum wages will not increase during the term of the contract. Any employee below the new minimum rate of pay will be increased to new minimum with next payroll following contract ratification. Employees below the maximum rate of pay will receive the General Wage Increase (GWI) applicable to the Clerical Unit. Once an employee reaches the maximum rate of pay, the GWI will be in the form of a lump sum payment.
2. **Selection:** The Company will give first consideration to full-time employees over part-time employees in the competency-based selection process for the RSA position when all other things are equal. UWUA represented employees will receive an additional point(s) as provided for in Sidebar Letter A65.
3. **Incumbent Employees:** Incumbent employees will perform all functions of the newly created job description but will be considered grandfathered in their existing classifications. Incumbent employees will continue to receive the negotiated general wage increases applicable to their current job classifications in accordance with the Collective Bargaining Agreement. In addition, these employees will retain all bid and rollback rights in the Customer Relations Bidding Area.

Sidebar Letter A64  
Page 1

4. Tamper Theft Work -The Company and the Union agree to establish a \$1.75 per hour premium to be paid to employees in the RSA position when management assigns them to perform tamper theft work. Management will assign full-time employees to perform specialty-type work as needed. Any employee who has received a verbal warning in the past six months, or a disciplinary letter or higher level discipline in the past year will not be considered. Such employees are eligible for consideration once his or her record is free from a verbal warning for six months, and/or free from any disciplinary letter or higher level discipline for one year. It is anticipated the number of employees performing this work will vary based on work load. Should additional specialty type work be brought into these work groups the company will meet with the Union, at their request, to determine whether the premium is applicable to the work. The Company reserves the right in its sole discretion to determine whether the premium is applicable.

Management will consider seniority as a tiebreaker to determine which equally qualified employees will be assigned to perform this work. No premium will be paid to employees while training or on paid time off. This letter shall not be construed as limiting management's rights under the terms of the applicable collective bargaining agreement.

This letter will be in effect during the term of the 2015 - 2019 Agreement.

Sincerely,



Jay R. Alvaro  
Director, Labor Relations  
Duke Energy

April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Competency Based Selection (CBS)

Dear Mr. Anderson:

During the 2015 negotiations, the Company and Union discussed the ongoing implementation of a Competency Based Selection (CBS) Process for certain job classifications. Specifically, this process will be utilized when filling certain clerical jobs designated as Level N8 and above and certain technical jobs designated as level T4 and above. This will ensure that the most qualified candidate is selected for the position and is more likely to succeed.

Job openings will be filled using the following Competency Based Selection process:

- Job applications/resumes will be screened to determine that the basic qualifications, as set forth in the job description are met.
- To supplement their application, Company employees may print copies of their training records, job history, or other similar documents relating to their employment from the Employee Center on the Company's portal, and provide such documents to interviewers during the interview process or as attachments to their electronic application. All such documents provided by employees will be considered by the Company.
- Candidates meeting the minimum qualifications will be evaluated based on the following factors: skills and qualifications, prior job performance and/or experience and, in certain positions, a Basic Skills Assessment.
- Absent unusual circumstances, candidates will be interviewed by a team of at least three qualified interviewers as determined by the Company.
- Company employees will be provided with advantage points in the process that will not be provided to external applicants. Specifically, the advantage points will be calculated as follows:
  - One point will be provided for existing UWUA members; and
  - One point will be provided for existing UWUA members who are full-time employees.

Accordingly, a part-time UWUA member would be provided with one advantage point and full-time UWUA members would be provided with two advantage points.

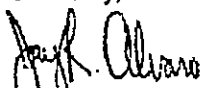
- Seniority will be the deciding factor if there are two full-time, internal candidates who are equally qualified as determined by the Company.
- Unsuccessful candidates under this process will be provided with additional interview training and/or assistance with resume preparation upon their written request to their HR Business Partner.

The process, as outlined above, will be used for the following job classifications:

CLERICAL	TECHNICAL
Gas Operations Administrator	Corrosion Technician A
Administrative Office Clerk	Gas Technician
Electric Operations Clerk	Control Technician III
Order Processing Representative	Technician
Sourcing/Purchasing Associate	Control Technician II
Customer Relations Representative B	Gas Layout Technician
Gas Document Specialist	T&D Support Technician
Customer Relations Clerk B (excluding moves due to hand-raising in Order Completion)	Control Technician I
Office Coordinator	Sr. Gas Layout Technician
Revenue Services Representative	GIS Technician II
Service Installation Representative	GIS Technician I
Customer Experience Support	GIS Team Lead
Senior Work Management Specialist	LIT Support Agent II
Land Analyst	LIT Support Agent I
Gas Office Coordinator	T&D Design Technician
Gas Operations Support Specialist	Design Technician
Customer Relations Representative C	Operations Technician
Customer Relations Clerk C	Sr. Substation Design Technician
	Sr. Surveying Technician
	Sr. T&D Design Technician
	Distribution Technician
	Substation Design Technician
	Surveying Technician
	Sr Graphics & Design Technician
	Sr Transmission and Distribution Technician
	Sr T&D Support Technician
	Gas Marketing Specialist
	Sr Gas Marketing Specialist
	Configuration Management Specialist
	Engineering Specialist I, II and III


Additionally, the Company would use this process to fill any newly created job classifications that are at or above the N8 or T4 wage level (or its equivalent). The selection process for Customer Projects Resource Specialist, Customer Project Coordinator and the Gas Operations Trainer, will remain as outlined in the applicable side bar letters.

Sincerely,



Jay F. Alvaro  
Director, Labor Relations  
Duke Energy

Sidebar Letter A65  
Page 2

	Sidebar Letter A70
	UWUA Severance Program

A severance program will be offered to employees represented by the UWUA who are designated as eligible by management in selected areas of the Company. Eligible employees will receive a one-time lump-sum severance payment and other benefits if they meet basic plan requirements.

#### Severance Payment Formula

- The lump-sum payment for eligible full-time employees will be equivalent to two (2) weeks of annual base pay per each full year of service.
- The maximum severance payment will not exceed two times an employee's annual compensation calculated as two times the compensation listed in Box 5 of the employee's most current W-2.

#### Additional Benefits

- Six months of Company-paid medical/dental coverage under COBRA following separation for all participating employees who have such coverage in effect as active employees upon separation.
- Access to outplacement services under the Company's program.

#### Design Features

- Employees are required to remain employed in good standing until their release date, which will be established by management in its sole discretion.
- Employees must sign and not revoke a Waiver and Release of All Claims in order to receive any benefits under this Program.
- Employees who separate under this Program will not be eligible for rehire or for staff-augmentation contingent worker (contractor) assignments for 12 months after their release date.

The Company shall designate who will be eligible for the severance program, in its sole discretion.



April 13, 2012

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Overtime Provisions

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed providing employees' flexibility in certain situations to work overtime assignments at a time mutually agreeable to the individual employee and his or her management, when consistent with business needs.

Per our discussion regarding overtime scheduling, the parties have agreed to the following in order to provide flexibility to employees. If an employee volunteers or is required to work overtime and the employee requests to work the overtime on their second scheduled off-day in lieu of working the overtime on a different scheduled off-day, management may approve the employee's request if it meets business needs as determined by the Company. When such employee requests are granted by the Company, the overtime worked will be paid at the rate of time and one-half, instead of double time.

Similarly, if an employee requests to work overtime at a date and/or time of his or her choice and the supervisor approves the request as consistent with business needs as determined by the Company, the Company will pay the overtime at the time and one-half rate.

This in no manner restricts the right of the Company to schedule overtime based on business and operational needs. Such assignments may be mandatory and employees are expected to work such mandatory assignments, and the applicable overtime and meal provisions would apply as stated in the Agreement.

It is believed that this letter accurately describes the parties' agreement.

Very truly yours,

A handwritten signature in black ink that reads 'Jay R. Alvaro'.

Jay R. Alvaro  
Vice President, Labor Relations

**A-71**

April 13, 2012

Mr. James Anderson  
President  
Utility Workers Union of America  
IUU Local 600  
810 Brighton Street  
Newport, Kentucky 41071

Re: Outsourcing Affecting Job Elimination

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed the issue of outsourcing and its impact on bargaining unit members. The parties agreed that the 2005 Labor Management Executive Committee (LMEC) process was outdated, and should be replaced as set forth herein.

The parties will continue to engage in a collaborative process where Labor Relations professionals, management, and union representatives exchange data, perspectives, and ideas so that outsourcing decisions affecting job elimination can be made in an open and candid environment.

As a first step, once the Company has determined that outsourcing is feasible based on proposals received from a potential vendor(s) and that outsourcing will likely result in job elimination, the Company will notify the Utility Workers Union of America, IUU Local 600 ("Union"). Upon receiving this notice, the Union can request information from the Company and/or propose how it would be more advantageous for unionized employees to retain the work at issue.

If requested by the Union, a meeting will be held to discuss the most competitive bid. During the meeting, the Company will provide the Union the key criteria used to evaluate the bid. The meeting should include the following representatives:

- Management representative of the outsourcing department;
- Union leadership;
- A representative from Labor Relations


The Company is fully aware of any legal responsibilities it may have, including the legal duty to share information and bargain in good faith, and will comply with those responsibilities. The Union understands that information shared between the parties while utilizing the process described in this letter is subject to legal protections, and the information shall remain confidential to this process and to the Company.

The parties recognize that each outsourcing proposal should be evaluated on a case-by-case basis, with consideration of factors including but not limited to the overall operating costs, relative labor costs (including the applicable loading rates such as benefits, pension, payroll taxes, etc.), any applicable regulatory requirements, equipment, technological developments, job process improvements, special expertise, efficiency, safety, availability of skilled labor and supervision, scalability, and any other factors that may impact the merits of outsourcing.

The parties further recognize and agree that neither party shall cause unreasonable delay during the process. It is the intent of the parties that this process will occur during approximately two months following the notice provided to the Union referred to in Paragraph 3 hereinabove and/or the parties' first meeting on the issue, if later than the notice. No provision of this letter shall be construed to eliminate or otherwise modify any applicable provision of the parties' collective bargaining agreement relating to outsourcing.

It is agreed that this letter accurately reflects the parties' agreement.

Very truly yours,



Jay R. Alvaro  
Vice President, Labor Relations



Duke Energy Corporation  
139 East Fourth St.  
Cincinnati, OH 45202

Michael A. Ciccarella  
Labor Relations Consultant  
513.287.5022 (Tel)  
513.287.1760 (Fax)

November 16, 2009

Mr. Jim Anderson  
President, UWUA Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: LIT Support Agent Job Progression

Dear Mr. Anderson:

The Company is establishing a new job progression in order to provide information technology support to various business units. The classifications are as follows;

- LIT Support Agent I
- LIT Support Agent II
- LIT Support Agent III

Initially three positions will be filled with one employee classified as a Support Agent I and two classified as Support Agent II. Based on the skill set required to perform this work, the Company will select the individuals for these positions. In regard to educational requirements, employees initially placed in these positions will be grandfathered and will be considered as meeting the requirements for promotional opportunities within this progression. Going forward, the LIT Support Agent III will be the entry level position for this progression and posted as stated in the Collective Bargaining Agreement.

#### Wage Rates

The wage rates for this classification will be as follows;

Job Classification	Minimum Hourly Rate	Maximum Hourly Wage	Merit Increase
LIT Support Agent I	\$30.71	\$33.71	\$0.25
LIT Support Agent II	\$25.97	\$28.97	\$0.25
LIT Support Agent III	\$21.88	\$24.50	\$0.25

Individuals placed initially in these positions will be placed at their current wage level not to exceed the maximum wage rate established for the classification. Employees making less than the minimum will be placed at the minimum wage rate for that classification.

#### Merit Increases

Merit increases will be given every six months in accordance with the "Patrick P. Gibson" letter dated December 29, 2000. These increases will be \$0.25 per hour.

Sidebar Letter A73  
Page 1

Mr. James Anderson  
November 16, 2009  
Page 2

Out of Town Work Assignments

It is anticipated that all employees in this progression will be given out of town assignments to support Duke Energy facilities. Based on skill level, the majority of these assignments will fall within the LIT Support Agent I classification. When such assignments are made Sidebar Letter A-15 will prevail.

Emergency Overtime Callouts

There may be occasions when employees are called out to respond to information technology issues that require an immediate response to ensure continuity of operations. In such cases, employees will be permitted to respond from locations other than a Duke Energy facility. In such case, the minimum call out of four hours will apply. If a second call out is required within four hours of the first call out it will be considered a continuation of that call out. If an employee does not travel in order to respond then no travel time will be paid.

Employees are expected to respond to and work a reasonable number of emergency overtime assignments. Employees who are consistently unavailable for such assignments are subject to disciplinary action, up to and including discharge.

Progression

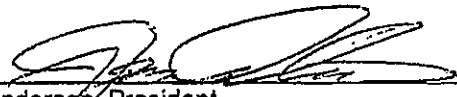
Employees who perform satisfactorily will automatically promote from the Support Agent III classification to the Support Agent II classification once all qualifications are met. Employees on a disciplinary track or those that have been denied a merit increase will not be eligible to promote until they have received two consecutive merit increases or have been discipline free for one year. Promotions to the Support Agent I classification will be based on business need only.

This letter describes the establishment of the above mentioned classifications, wage rates, and initial staffing. Except where specifically abridged by this letter, all provisions of the 2008 – 2012 Collective Bargaining Agreement apply. In addition, the rights retained by the Company under Article I, Section 2 (c) of the Agreement remain unchanged. This letter in no manner represents a commitment on behalf of the Company in regard to staffing levels. The Company reserves the right to change or modify these job descriptions in accordance with the Agreement. I believe that this letter adequately describes our discussion regarding this matter. If the Union is in agreement with this proposal please return a signed copy of this letter to me at your earliest convenience.

Sincerely,



Michael A. Ciccarella  
Labor Relations Consultant  
Duke Energy

Signed:   
James Anderson, President  
Utility Workers Union of America, Local 600

Date: 12/7/09



DUKE ENERGY CORPORATION  
139 E. Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Michael A. Ciccarella  
513.287.5022 (Tel)  
513.287.1760 (Fax)

March 31, 2011

Mr. Jim Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: On Call Rotation – Local IT Support

Dear Mr. Anderson:

Per our recent discussion, the Company is establishing an on call rotation for employees in the Local Information Technology job progression. As we discussed, the employee in the LIT I classification is excluded from this rotation due to business needs at this time. However, it is acknowledged and agreed that the Company has the sole discretion to include employee(s) in the LIT I classification in the rotation if business requirements change in the future.

While on call, employees will be compensated at the rate of \$16.50 per day. In addition, the minimum call out will be two hours. If a second call out is required within two hours of the first call out, it will be considered a continuation of that first call out. As previously agreed to, employees will be permitted to respond from locations other than a Duke Energy facility. If an employee does not travel in order to respond, then no travel time will be paid.

Employees failing to respond to a call out in a timely manner may be subject to disciplinary action, up to and including discharge.

Sincerely,

Michael A. Ciccarella  
Labor Relations Consultant  
Duke Energy

For the Union:

  
James Anderson  
President, UJWUA Local 600

Date 4/5/11

A-74



DUKE ENERGY CORPORATION  
139 E. Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Michael A. Ciccarella  
513.287.5022 (Tel)  
513.287.1760 (Fax)

January 16, 2012

Mr. Jim Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: G.I.S. Job Progression

Dear Mr. Anderson:

Per discussion between the Union and the Company, a new job progression is being established within the Electric Operations Bidding area. The classifications and wage levels are as follows;

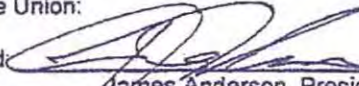
<i>Job Title</i>	<i>Wage Level</i>
GIS Team Lead	T8
GIS Technician I	T7
GIS Technician II	T5
GIS Apprentice	T4

As discussed, at the lower two levels (GIS Apprentice and GIS Technician II) lateral movement within the bidding area can occur if employees are qualified. In addition, existing employees in the T&D Support Technician job classification will promote to Senior T&D Support Technician prior to any promotions to GIS Team Lead. I have attached the revised promotional chart for Electric Operations and the job descriptions. The Company reserves the right to change or modify these job descriptions in accordance with the Collective Bargaining Agreement. I believe that this letter adequately describes the discussions held regarding this matter. If the Union is in agreement with this proposal please return a signed copy of this letter to me at your earliest convenience.

Sincerely,

Michael A. Ciccarella  
Labor Relations Consultant  
Duke Energy

For the Union:

Signed:   
James Anderson, President  
Utility Workers Union of America, Local 600

Date: 2/1/12



Duke Energy Corporation  
139 East Fourth Street  
Cincinnati, OH 45202

December 20, 2012

Mr. Jim Andersen  
President  
Local 600  
Utility Workers Union of America  
810 Brighton Street  
Newport, KY. 41071

Re: Foreign Utility Assistance

Dear Mr. Andersen:

This letter documents our discussions and agreement concerning emergency work performed for other utilities. The following guidelines will apply when employees represented by UWUA Local 600, are called upon to work for a foreign utility in emergency situations.

Compensation Guidelines:

- All hours of travel or work will be paid at the rate of time and one-half.
- After 16 consecutive hours of work, Article XII, Section 2(c) will continue to apply.
- Compensation when traveling begins when the employee begins driving toward their destination and ends when the employee arrives at the final destination of the day.
- When employees reach their destination and are to begin work, compensation will begin when the employee leaves the host Company staging area. If the staging area is away from the place of lodging and crews have to be transported to the staging area, then time begins when the employee leaves the place of lodging.
- Compensation ends for the work day when the employee returns to the host Company's staging area. If the staging area is away from the place of lodging and crews have to be transported, then the time will stop when the employee returns to the place of lodging.





Duke Energy Corporation  
139 East Fourth Street  
Cincinnati, OH 45202

- Employees required to work ten consecutive hours or more, shall be furnished a meal or compensation in lieu thereof (in accordance with the Contract), and an additional meal or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty.
- Employees are not eligible to receive a daily per diem allowance.

Crew Assignments:

- Management will determine which bidding areas will be eligible to participate in a deployment, and the number of employees and crews from each of the bidding areas.
- During their deployment, employees are expected to comply with the Duke Energy Code of Business Ethics and related policies and procedures.

This letter will be interpreted and applied to comply with all laws. To the extent that this letter conflicts with any applicable law, the law will prevail. The current Contract will remain in effect for issues not addressed herein.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marc W. Arnold'.

Marc W. Arnold  
Director Design Engineering OH/KY

cc: L. Gregory  
R. Atkins  
M. Ciccarella



Duke Energy  
139 East Fourth St  
Cincinnati, OH 45202

May 8, 2014

Mr. Jim Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Senior Work Management Support Specialist

Dear Mr. Anderson:

I am writing in regard to our conversations regarding the establishment of the Senior Work Management Support Specialist within Midwest Delivery Operations. As we have discussed, the minimum hourly rate for this position will be \$31.02 and a maximum rate of \$31.52 per hour. Merit increases will be administered as outlined in the Collective Bargaining Agreement. Furthermore, Sidebar Letter A65 (Competency Based Selection) will be applicable to this position. Also as discussed, the Company will agree that the first three positions will be limited to qualified UWUA represented employees plus any additional positions for two years after entering this agreement. In the event that three positions are not filled within two years, the agreement will be extended until such time as three total positions are offered. This agreement in no manner restricts the Company's right to revise this job description in the future as provided for in the Collective Bargaining Agreement or any applicable sidebar letter.

I believe that this letter accurately describes our conversations regarding this issue. If you are in agreement, please sign and return this letter to me.

Sincerely,

Michael A. Ciccarella  
Senior HR Consultant  
Labor Relations KY/OH/Carolina

For the Union:

Signed: \_\_\_\_\_

James Anderson, President  
Utility Workers Union of America, Local 600

Date: \_\_\_\_\_

5/8/14

www.duke-energy.com

Sidebar Letter A77



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Separation of Delivery Operations and Gas Operations

Dear Mr. Anderson:

During the 2015 negotiations, the parties discussed the separation of Midwest Delivery Operations and Gas Operations relating to clerical functions performed by Office Coordinators, Customer Projects Recourse Specialists, and employees assigned to the Order Completion role.

As discussed, the work being performed by the above referenced classifications is being divided between the Midwest Delivery Operations (Electric) and Gas Operations (Gas) business units. As such, two new positions are being established in the Gas Operations Clerical Bid Area, Gas Office Coordinator (Gas QC) and Gas Operations Support Specialist (GOSS). Employees in the Office Coordinator classification currently assigned to Gas Operations will be reclassified as Gas Office Coordinators. The Customer Projects Resource Specialists (CPRS) currently assigned to Gas Operations will be re-classified into the new Gas Operations Support Specialist position. Employees currently performing the Order Completion role will remain in their respective classifications in the Customer Relations Bid Area.


The wage levels for the new positions remains the same as the existing Office Coordinator and CPRS classifications. The Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters to revise job descriptions and/or discontinue filling these job classifications based on future business needs. Should such material revisions occur to the job descriptions, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

In order to give incumbent employees a final opportunity to move between the electric and gas bidding areas, the next three vacancies in either bidding area for an OC or a Gas QC will be filled by cross bidding (hand raising) as a combined area. The process for each vacancy will continue until the original posting is filled. This same process will also apply for the next CPRS or GOSS vacancy. Once this commitment is fulfilled, vacancies will be filled using the Competency Based Selection process in accordance with Sidebar Letters A21 (CPRS) and A65 and hand raising will apply only within the individual bid area.

Sidebar Letter A79  
Page 1

In the event of a work force reduction, the Office Coordinator and Gas Office Coordinator classifications will be combined for the purpose of determining any rollbacks or layoffs. The same will apply for the CPRS and Gas Operations Support Specialist classifications.

Sincerely,



Jay R. Alvaro  
Director, Labor Relations  
Duke Energy



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Global Positioning Satellite (GPS)

Dear Mr. Anderson:

During the 2015 contract negotiations, the parties discussed the use of Global Positioning Satellite (GPS) system and other types of technology being contemplated for use in Company vehicles.

The primary purpose of the GPS and similar technology is to allow the Company the ability to more efficiently manage and assign work and to enhance safety by allowing us to locate a vehicle in the event we have lost contact with someone or a vehicle has been stolen. As discussed, it is not the Company's intent to constantly monitor employee's whereabouts using the GPS or other technology for the purpose of issuing corrective action.

Although its primary use is for managing work, the Company may review and rely on technology and/or the information obtained through its use to aid in an investigation where there is reason to believe an employee may have violated a Company policy or work rule, and the violation may be substantiated or disproven by such a review. To the extent the Company does rely on such information, the Company will treat similarly-situated employees in the same manner. Any such information, upon which the Company relies for purpose of imposing corrective action, will be provided upon request by the Union in accordance with applicable law.

In accordance with the March 29, 2007 GPS Letter, the Company is providing notice to the Union that the amount of history maintained in these systems may be longer than 30 days.

Sincerely,

Jay R. Alvaro  
Director, Labor Relations  
Duke Energy

Sidebar Letter A-80



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Engineering Specialist Progression

Dear Mr. Anderson:

During the 2015 negotiations, the parties discussed the Company's decision to establish an Engineering Specialist Job Progression in the Customer Projects Bidding Area and the Transmission & Distribution Bidding Area. This progression will consist of the Engineering Specialist I, II, and III classifications. The wage levels for these newly created positions will be as follows:

Job Classification	Wage Level	Maximum Hourly Rate as of 3/31/15
Engineering Specialist III	T9	\$35.18
Engineering Specialist II	T8	\$34.20
Engineering Specialist I	T4	\$28.22

Wage progression will be as outlined in Article VIII of the Agreement and Sidebar Letter A40, with selections determined by the Company in accordance with Sidebar Letter A65. Employees are required to successfully complete all training programs required by the Company and to promote to the Engineering Specialist II position in a timely manner. Employees successfully completing the requirements for the Engineering Specialist III position will automatically promote to that position. In addition, the Company maintains all rights provided under the Collective Bargaining Agreement and applicable sidebar letters, including but not limited to the right to revise the Engineering Specialist job descriptions based on future business needs. Should such material revisions occur, UWUA Local 600 may request a re-evaluation by the Job Evaluation Committee as provided for in the Agreement.

Employees in the Engineering Specialist I classification may be assigned to a specific headquarters for training purposes as determined by the Company.

Due to a restructuring of how work is performed by the Company, the Company does not anticipate any future postings for Customer Project Apprentice positions. Incumbent employees will be grandfathered under their existing job description, and will be eligible to continue to receive the negotiated wage increase applicable to employees in the Technical Unit. Existing employees in the progression not at the maximum rate of pay will be eligible to continue receive merit increases as outlined in the December 28, 2012 letter regarding this subject. Also, incumbent employees in the Customer Project Associate and Customer Project Apprentice classifications must continue to meet all Company expectations as previously required, including but not limited to the requirement to progress.

As agreed, when the Company fills a position in the "Engineering Specialist II" classification, the senior qualified Technician in good standing will be promoted to T&D Design Technician. Furthermore, when the Company fills a position in the "Engineering Specialist III" classification, the senior qualified T&D Design Technician in good standing will be promoted to Senior T&D Design Technician. In all cases, employees must be in qualified and in good standing to be eligible for a promotion. This process will continue until all incumbents in the following classifications: Technical Apprentice, Design Technician, Technician, and, T&D Design Technician as of the date the Collective Bargaining Agreement is ratified until all eligible employees have had the opportunity to progress to the Sr. T&D Design Technician position. The T&D progression will be closed to Technical Apprentices and Technicians hired after April 15, 2015. It is the intent of the Distribution Design organization to utilize the Engineering Specialist progression for all such future hires.

For the purposes of "hand-raising" (bidding on headquarters or location) within the Customer Projects Bid Area, the Customer Projects Coordinator and the Engineering Specialist III classifications will be combined. In the event of a work force reduction, the Engineering Specialist progressions in the Customer Projects Bid Area and the Transmission & Distribution Bidding Area will be combined.

Sincerely,



Jay R. Alvaro  
Director, Labor Relations  
Duke Energy



April 15, 2015

Mr. James Anderson  
President  
Utility Workers Union of America  
Local 600  
810 Brighton Street  
Newport, Kentucky 41071

RE: Customer Relations Representative/Clerk C Positions

Dear Mr. Anderson:

During the 2015 negotiations, the parties discussed the filling of future vacancies in the Customer Relations Representative C and the Customer Relations Clerk C classifications.

Based on these discussions, the parties have agreed that future openings in the Customer Relations Representative C and Customer Relations Clerk C classifications will be filled by the Company using the Competency Based Selection process.

The first three (3) positions will be filled using the Competency Based Selection process among the incumbent Order Processing Representatives in good standing. Should there only be one Order Processing Representative apply for each of the first three positions and he or she meets the minimum qualifications and is in good standing they will be the successful candidate. Order Processing Representatives selected by the Company for the first 3 opportunities will have their rate of pay reduced to the maximum wage rate of the Customer Relations Representative/Clerk C classification. In the event that no Order Processing Representative in good standing applies for one or more of the first three positions, the Company may fill the vacancy by a Union wide posting using the Competency Based Selection process.

Sincerely,

Jay R. Alvaro  
Director, Labor Relations  
Duke Energy

Sidebar Letter A82



*Contract*

between

Duke Energy Ohio, Inc.  
Duke Energy Kentucky, Inc.

and

USW, AFL-CIO-CLC

on behalf of

Local No. 12049  
&  
Local No. 5541-06

May 15, 2016

to

May 15, 2021



## TABLE OF CONTENTS

ARTICLE	TITLE	PAGE
I	Purpose and Responsibilities	1
II	Recognition of the Union	2
III	Recognition of Management	3
IV	Union Security and Check-off	4
V	Classification and Wages	5
	Shift Differential	7
	Sunday Premium	7
	Job Evaluation Committee	8
	Temporary Assignments	8
VI	Seniority	9
	Probationary Periods	9
	Departments, Divisions and Sections	10
	Promotions	10
	Job Posting	11
	Layoffs and Demotions	13
VII	Hours of Work	13
	Overtime Guidelines	14
	Call-Out	15
	Travel Time	15
	Planned Overtime	15
VIII	Working Conditions	15
	Change in Schedule	15
	Transfers and Reassignments	15
	Temporary Transfers	16
	Foremen's Duties	17
	Safety and Health	17
	Contracting Out	17
	Meal Compensation	18
	Transportation	18
	Witnessing for Company	18
	Jury Duty	18
	Paydays	18
	Retrogression	19
	Job Abolishment	19
	General Illness	19
	Short-Term Disability	19
	Hospital and Medical Plans	20
	Post-Retirement Health Care	20
	Insurance, Health & Welfare Benefits	21
	Industrial Accidents	21

**TABLE OF CONTENTS**

	Inclement Weather	21
	Bereavement Leave	21
	Bulletin Boards	22
	Union Office	22
	Addresses and Telephone Numbers	22
	Personal Days	23
	Teams	23
IX	Administration and Grievance Adjustment	23
X	Arbitration	24
XI	Discipline and Discharge	25
XII	Holidays	25
XIII	Vacations	26
XIV	National Defense	28
XV	Department Stewards	28
XVI	Retirement Benefits	28
	Retirement Income Plan	28
	Retirement Savings Plan	29
XVII	Interruption or Pyramiding Benefits	29
XVIII	Duration	30
	Signature Page	31
APPENDIX A	Historical Documents Preserved and Made a Part of this Agreement for Interpretation and Application	32

## USW 2016 – 2021 CONTRACT

This Contract, dated June 2, 2016, is agreed upon between Duke Energy Ohio, Inc., Duke Energy Kentucky, Inc., hereinafter referred to as the "Company," and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW), hereinafter referred to 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 safety, productivity and helping the Company become the lowest cost producer and highest quality provider of energy service.

### ARTICLE I – PURPOSE AND RESPONSIBILITIES

Section 1. (a) It is the intent and purpose of the parties hereto that the terms and conditions of this Contract will promote and improve the economic relations between the Company and its employees who are members of the Union, to the mutual benefit of both parties. To that end, there is established herein the basic agreements as to hours of work, rates of pay, working conditions, and a method of providing for the peaceful and satisfactory adjustment of differences of opinion and interpretations of this Contract that may arise from time to time to be observed by the parties hereto during the life of this Contract.

Section 2. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Contract 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 Contract 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 Contract, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Contract. 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 the Union 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, in the event of an unauthorized work stoppage, it will in good faith and without delay exert itself to bring the work stoppage to a quick termination and insist that the

employee(s) involved cease their unauthorized activities. To that end, the Union will promptly take whatever affirmative action is necessary. Furthermore, 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 Contract now in effect.

(c) No employee shall be required to cross a picket line to perform work that is not necessary to provide the normal services of the Company. A supervisor shall notify individuals who are picketing that Company employees must provide service and shall make arrangements for employees to safely cross the picket line to perform such work. The Company agrees, in the case of new construction work involving Field Operations Forces, to notify the Sub-District Office of the Union not less than 24 hours in advance of any situation requiring the crossing of a picket line.

## ARTICLE II – RECOGNITION OF THE UNION

Section 1. (a) The Union is recognized as the sole and exclusive collective bargaining agency for those employees who are employed under the classifications listed in the job descriptions manual. A-41

This Contract shall be final and binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company.

(b) Employees in the following categories are specifically excluded from the collective bargaining unit represented by the Union: clerical, dispatchers, draftsmen, foremen, and all supervisory employees with authority to hire, promote, discharge, discipline or otherwise effect changes in the status of employees, or effectively recommend such action.

(c) The Company recognizes the Union as the sole collective bargaining agency in matters concerning wages, hours of work and working conditions for all employees, as defined above, in the following Departments, Divisions and Sections:

### LOCAL UNION 12049

#### DUKE ENERGY OHIO AND KENTUCKY

Gas Operations

Field Operations

Corrosion Control

Systems Operations

Production - Gas Plants

Compliance and Service Delivery OH/KY

Service Delivery

Meter Services

**LOCAL UNION 5541-06**

**DUKE ENERGY OHIO AND KENTUCKY**

Gas Operations  
Field Operations  
Systems Operations  
Production - Gas Plant

Compliance and Service Delivery OH/KY  
Service Delivery

(d) There shall be no discrimination, interference, restraint or coercion by the Company or its agents against any employee because of membership in the Union.

(e) There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee or officer of the Union because of race, color, religion, sex, disability, national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the feminine gender whenever they appear throughout the Contract.

(f) Nothing in this Contract shall be deemed to require the Company or the Union to commit an unfair labor practice or other act which is forbidden by, or is an offense under, existing or future laws affecting the relations of the Company with the employees bargained for by the Union.

**ARTICLE III – RECOGNITION OF MANAGEMENT**

Section 1. (a) The Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of employees 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 Contract.

## ARTICLE IV – UNION SECURITY AND CHECK-OFF

Section 1. (a) Any employee who is a member of the Union on the effective date of this Contract, shall, as a condition of continued employment, maintain membership in the Union, to the extent of paying the periodic membership dues uniformly required of all Union members subject to the annual 10 day escape period hereinafter described.

(b) Any employee who is not a member of the Union on the effective date of this Contract, and who chooses not to become a member, shall be required as a condition of continued employment, to pay to the Union each month, as a contribution toward the cost of the administration of this Contract, a service charge equal in amount to the monthly dues uniformly required of Union members.

(c) New employees, hired by the Company after the effective date of this Contract, shall be required to join the Union as a condition of continued employment on the 31<sup>st</sup> day of employment in a job classification represented by the Union.

(d) 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 December 15 and December 31, inclusive of each year, by giving notice of this desire to do so by registered or certified mail to the Labor Relations area of the Company. After such withdrawal, an employee shall not be required to rejoin the Union as a condition of continued employment.

(e) The Company, for all employees in the bargaining unit who have furnished the Company with voluntary check-off authorization cards, shall deduct from those employees' pay each week, dues or service charges and promptly remit the same to the International Secretary-Treasurer of the Union on a monthly basis. The initiation fee of the Union shall also be deducted and remitted to the International Union.

(f) The amount of dues or initiation fees to be deducted by the Company, within the limitations set forth on the voluntary check-off cards, shall be computed on the basis of the formula provided by the International Union. An initiation fee in an amount specified by the Union will also be deducted from the employee's pay. The Company will cooperate with the Union to change the dues computation period upon proper notice from the International Representative.

(g) The Union agrees that neither it nor any of its officers or members will intimidate or coerce any employees of the Company into joining the Union. The Company agrees that neither it nor any of its management representatives will attempt to persuade any employee from joining 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 any individual employee or 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 10 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 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.

(i) The Union shall indemnify and save the Company harmless against any and all claims, demands, law suits, or other forms of liability that may arise out of or by reason of action taken by or not taken by the Company in reliance upon any check-off authorization cards signed by the individual employees and furnished to the Company by the Union for the purpose of complying with any of the provisions of this Section.

**ARTICLE V – CLASSIFICATION AND WAGES**

Section 1. (a) The wage schedules described in the Contract in effect immediately prior to the date of this Contract, including all adjustments to those wages which were due to increases in the C.P.I. during the term of that Contract shall be amended as follows:

	As of	Effective	Effective	Effective	Effective	Effective
Wage	May 15,	May 15,	May 15,	May 15,	May 15,	May 15,
Level	2015	2016	2017	2018	2019	2020
1	\$22.68	\$23.13	\$23.65	\$24.19	\$24.79	\$25.35
2	\$23.14	\$23.60	\$24.13	\$24.68	\$25.29	\$25.86
3	\$23.51	\$23.98	\$24.52	\$25.07	\$25.70	\$26.28
4	\$24.54	\$25.03	\$25.59	\$26.17	\$26.82	\$27.43
5	\$26.24	\$26.76	\$27.37	\$27.98	\$28.68	\$29.33
6	\$26.97	\$27.51	\$28.13	\$28.76	\$29.48	\$30.14
7	\$28.02	\$28.58	\$29.22	\$29.88	\$30.63	\$31.32
8	\$29.47	\$30.06	\$30.74	\$31.43	\$32.21	\$32.94
9	\$30.37	\$30.98	\$31.67	\$32.39	\$33.20	\$33.94
10	\$30.79	\$31.41	\$32.11	\$32.83	\$33.66	\$34.41
11	\$32.22	\$32.86	\$33.60	\$34.36	\$35.22	\$36.01
12	\$33.79	\$34.47	\$35.24	\$36.03	\$36.94	\$37.77
13	\$35.52	\$36.23	\$37.05	\$37.88	\$38.83	\$39.70
14	\$36.01	\$36.73	\$37.56	\$38.40	\$39.36	\$40.25
15	\$36.53	\$37.26	\$38.10	\$38.96	\$39.93	\$40.83
16	\$37.57	\$38.32	\$39.18	\$40.07	\$41.07	\$41.99

Level 5–Construction Assistant, Mechanic III (incumbent); Level 6–Meter Specialist III; Level 7–Gas Systems Operations Mechanic III, Mechanic Operator III; Level 8–Premise Mechanic, Gas Plant Operator III; Level 11–Gas Plant Operator II, Meter



Specialist II; Level 12–Gas Systems Operations Mechanic II, Mechanic Operator II; Level 13–Service Mechanic “B”, Welder II, Gas Plant Operator I, Meter Specialist I; Level 14–Tool Repair Specialist, Welder I; Level 15–Gas Systems Operations Mechanic I, Mechanic Operator I, Service Mechanic “A”; Level 16–Inspecting Mechanic.

(b) Any employee in the bargaining unit represented by the Union who was on or below the maximum hourly wage rate of his job classification on May 15, 2016, shall receive an hourly increase in accordance with the increase applicable to the maximum wage rate of his job classification in accordance with the provisions of the Contract.

(c) The hourly wage rate increases referred to herein shall not apply to the minimum hourly wage rates of starting job classifications.

(d) Employees shall be provided the higher of a 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 25¢ above the maximum wage rate of the job classification from which it promotes.

(e) 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 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 10¢ increment plus the odd amount necessary to equal the maximum hourly wage rate, provided, however, that the total amount of the increase is less than 20¢.

(f) 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.

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

Name and Definition of Shift		Current	Effective First Day of Pay Period Following Ratification	Effective			
				5/15/2017	5/15/2018	5/15/2019	5/15/2020
<b>Day Shift</b>	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Afternoon Shift</b>	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight	\$1.65	\$1.70	\$1.75	\$1.75	\$1.80	\$1.80
<b>Night Shift</b>	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.70	\$1.75	\$1.80	\$1.80	\$1.85	\$1.85

**Sunday Premium**

When the majority of the regularly scheduled hours in a shift are on Sunday, a Sunday premium will be paid to an employee for all scheduled straight time hours worked on that shift as follows:

Current	Effective First Day of Pay Period Following Ratification	Effective			
		5/15/2017	5/15/2018	5/15/2019	5/15/2020
\$1.80	\$1.90	\$1.90	\$2.00	\$2.00	\$2.00

(h) The Company shall prepare occupational classifications and job descriptions which will define, as nearly as possible, the nature of the work involved under each classification. All required changes in job classifications or promotional sequences will be initiated by the Company.

(i) When a job description has been revised by the management, a representative of employees will be given an opportunity to suggest changes to the revised job description before it is submitted to the Company's Job Evaluation Committee. After the management has reviewed the changes to the job description, if any, suggested by the Union representative, the job description will be submitted to the Company's Evaluation Committee. The Union representative shall have an opportunity to submit written comments regarding the duties of the job to the Company's Evaluation Committee. 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.

(j) The Job Evaluation Committee of the Company will be responsible for evaluating all new or revised job classifications. Prior to the evaluation of revised job descriptions, the representative of the Union may accompany the management representative to explain his written comments to the Committee. The evaluation established by this Committee will be used to determine a proposed maximum wage rate for each new or revised job classification. The wage rate resulting from this evaluation will be communicated to the Union as far in advance as possible, but not less than 30 days, of the proposed effective date for the installation of the new or revised classification.

(k) The Union shall maintain a Classification Committee consisting of not more than five members who may review the evaluation and wage rate of any new or revised classification. The Union's Committee may, by request, meet with the Company's Committee as soon as possible at a mutually convenient time, but within 30 days, after the Union has been notified by the Company of the proposed new or revised classification for the purpose of presenting any information relevant to the evaluation of the new or revised 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 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.

It is understood that the right to maintain, revise or abolish any job classification or to create new classifications is the exclusive right of management.

(l) Where the Union deems an employee, or employees, to be improperly classified, it may file a grievance which shall be handled under the grievance procedure of this Contract.

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

Section 2. (a) No employee shall regularly be called upon to perform work beyond the scope of his classification or training. Employees temporarily advanced to a higher

classification for four hours or more in any one day shall receive either the minimum rate of pay applicable to that classification or 25¢ per hour above the maximum wage rate of their job classification, whichever is greater, but no more than the maximum wage rate of the job to which the employee is upgraded. Employees temporarily assigned to a job scaled at a lower rate of pay than their own shall not suffer financially through such a transfer.

(b) When a temporary assignment in a job classification within the bargaining unit exceeds 90 consecutive days, the assignment being temporarily filled shall be considered a vacancy and filled permanently in accordance with the posting procedure.

(c) When an employee covered by this Contract voluntarily accepts a temporary assignment to a supervisory position, he shall be paid the same rate of his classified assignment at the time of the temporary assignment.

A-62

(d) An employee, when permanently promoted 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 VI – SENIORITY

Section 1. (a) System Service shall date from the time an employee first earns compensation in the employ of the Company, except as such system service may be lost in accordance with Section 6 of this Article.

(b) Classified Seniority shall date from the time an employee is permanently employed in a specific job classification. Whenever employees are accepted for job postings and their promotion is delayed by no more than 30 days or when a delay beyond 30 days is caused solely by the Company, their new classified seniority date will be adjusted to place them in their proper seniority position in relation to other employees who promoted as a result of the same posting.

(c) In the event that two or more employees achieve classified seniority on the same date, the respective seniority rank of such employees shall be determined by the Union. The Union shall promptly notify the Company in writing of its determination.

(d) Nothing in this Contract shall be construed in such a way that would enable an employee to use classified seniority for the selection of a particular job assignment. In justifiable cases, however, when requested by an employee, a supervisor will give consideration in making job assignments to the requirements of the job to be done, the physical condition, the qualifications and the classified seniority of the employee.

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

shall have the right to lay off or discharge probationary employees and there shall be no responsibility for reemployment of such employees after they are discharged or laid off during the probationary period. No unqualified probationary employee shall act as a second employee in any two-employee crew in the Field Operations or Systems Operations Sections.

(f) In order to avoid possible grievances, the Company will discuss in advance with the representatives of the Union, demotions, layoffs, and recalls from layoffs.

Section 2. (a) Classified seniority shall be administered separately in the following Departments, Divisions, and Sections: A-87

**LOCAL UNION 12049**

**DUKE ENERGY OHIO AND KENTUCKY**

- Gas Operations
  - Field Operations
    - Ohio – Kentucky District
  - Corrosion Control
    - Ohio District
  - Systems Operations
    - Ohio - Kentucky District
  - Production - Gas Plants
    - Ohio - Kentucky District
  
- Compliance and Service Delivery
  - Service Delivery OH/KY
    - Service Delivery
      - Ohio – Kentucky District
    - Meter Services
    - Gas Measurement Center
      - Ohio District

**LOCAL UNION 5541-06**

**DUKE ENERGY OHIO AND KENTUCKY**

- Gas Operations
  - Field Operations
  - Systems Operations
  - Production - Gas Plant
  
- Compliance and Service Delivery
  - Service Delivery

(b) In the cases of promotions, within each District as described above, the Union agrees that the strict classified seniority interpretations may be waived when a specific employee is unqualified for a particular promotion but in such event the Company and the Union shall discuss the matter fully and come to agreement first.

(c) The classified seniority status of employees permanently assigned from one District to another District shall be fixed without delay by discussion between the Company and the Union Grievance Committee.

(d) For a period of six months following a promotion, when an employee who has been assigned to a job classification not bargained for by the Union returns to a job classification in which they have classified seniority, their seniority will be adjusted to a date that is one day less than the classified seniority date of the employee with the least classified seniority in the job classification within the bargaining unit to which the employee is assigned. If the employee returns to the bargaining unit greater than six months from said promotion, they shall be placed at the minimum wage rate in a job classification no higher than Service Mechanic B, Meter Specialist II, Mechanic Operator II, Gas Systems Operations Mechanic II and Gas Plant Operator II. For purposes of bidding and downbidding, all previous seniority is lost and the employee will be ranked in seniority as a newly hired employee. No employee may return to a bargaining unit job classification if, as a direct result, an employee represented by the Union would be laid off.

Section 3. (a) An employee who has accepted a new position, will be given the first 10 working days of training, to evaluate the new position. It at the end of such period, the employee requests, they shall be restored to their previous position and previous classified seniority rank. This provision does not apply to employees who are in positions of automatic progression. An employee who has satisfactorily met all the requirements for entrance into a job classification shall be given a period of 30 days in which to master the new assignment. If, at the end of such period, the employee is unable to fulfill the assignment; he shall be restored to his previous position and previous classified seniority rank.

A-27

(b) The Company shall have the right to require examinations, either oral, written or practical, to determine the fitness of employees for promotions. When such examinations are deemed necessary by the Company, the equipment and facilities necessary for such examinations will be provided by the Company. The Company agrees that the employee shall have the right to review the results of departmental tests upon request. If an employee indicates, within five days after receiving the results of a departmental examination, that he feels the examination was not fairly administered, the Company agrees to reexamine the employee. A Union designated witness may be present only during the practical portion of the retest. The employee, upon request, shall receive counseling based upon tests administered by the Staffing Services area of the Company or by outside consultants. In the case of a downbid, an employee who does not pass an examination shall be required to retake that examination after three months. An employee who does not pass the examination a second time will not be eligible for reexamination for 12 months and for subsequent two year intervals thereafter and will not be eligible to bid on other bargaining unit positions until they have successfully passed the examination. After three unsuccessful attempts to pass the test, the employee can elect to forfeit the bid.

A-61

(c) When a permanent promotion is to be made to a job classification bargained for by the Union, a notice of the opening shall be posted by the Company on all bulletin boards for two weeks. A copy of these notices will be mailed to the Presidents of the Local

A-80

Unions. The period of posting may be reduced to seven days, provided that any employees with greater classified seniority who may be off duty during the entire seven-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 in Human Resources.

(d) All bids related to posted openings should be made in duplicate and presented to the responsible supervisor who will sign both copies, retain one and return the duplicate to the employee for the record of the Local Union.

(e) When a posted opening occurs in a job classification, employees already in that job classification within the Seniority District may exercise their classified seniority rights to cross bid for the opening if the opening exists at another headquarters. The most senior employee already in the job classification within the Seniority District who cross bids and can qualify will be selected. Only one cross bid will be accepted for each posting. Resultant openings, which the Company desires to fill, will be filled by promotion of qualified employees from the next lower job classification or other qualified employees in the same promotional sequence in the Seniority District where the resultant opening exists.

(f) When a posted opening cannot be filled from among the qualified employees in the Seniority District in which the opening exists, the opening will be filled from qualified employees from other Seniority Districts within the Section. When the opening cannot be filled from within the Section, the opening will be filled in accordance with the appropriate provisions of this Contract.

(g) Subject to the approval of the Company and the Union, any employee may waive his right to promotion if such waiver does not prevent other employees from acquiring experience in the job classification held by him. Such waiver must be submitted to the Company and the Union in writing.

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

(i) An employee waiving his right under this provision cannot later claim that particular job opening as a classified 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.

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

Section 4. (a) The Company will post at least semi-annually and will maintain lists at locations mutually agreeable to the Company and the Union showing the system service and classified seniority of each employee. If exception is not taken to the list as posted within 30 days from the date of posting, the list shall be considered as correct. Copies of these lists shall be forwarded to the Local Union President and Recording Secretary.

(b) The Company will furnish annually, upon request, to the Financial Secretary of the Local Union a complete mailing list of all employees in the bargaining unit.

Section 5. An employee's classified seniority and system service standing shall not be jeopardized due to time off for injury, sickness or leave of absence.

Section 6. An employee will lose his system service and classified seniority who:

- (1) Quits of his own accord.
- (2) Is discharged for just cause.
- (3) Employees who leave the Company involuntarily shall not lose accrued system service or classified seniority if, upon recall, they respond within six days, provided it is not obligatory on the Company to issue such a call after two years after the date of layoff. Notification of recall will be sent by registered or certified mail.

Section 7. (a) Layoffs and demotions shall be made on the basis of classified seniority. Reassignments shall also be made on the basis of classified seniority and sufficient qualifications. In case of layoff, an employee shall have the right to be returned to any job classification previously held by him in the course of his employment with the Company if his classified seniority is sufficient to qualify him for such job. An employee, however, shall not have the right to be demoted or assigned to any job classification which he has not previously held but will be given consideration by the Company for a Mechanic III position, at the maximum rate, before new employees are hired. Such an employee's classified seniority as a Mechanic III would be the same as the employee's system service.

(b) Every effort shall be made to continue the present policy of avoiding seasonal layoffs by finding other work for any employees likely to be thus affected, should such occasion arise.

Section 8. Any employee who may make application to the Staffing Office for transfer to a starting job not represented by the Union, for which he may be qualified, will be given preference for consideration before a new employee is hired for the job.

## ARTICLE VII – HOURS OF WORK

Section 1. (a) Eight or 10 consecutive hours, exclusive of lunch time, shall constitute a working day, and four or five such days, totaling 40 hours, shall constitute a working week. Regular employees available and able to work, shall be assured of a 40 hour work week. It is understood that this provision will not affect in any manner the right of the Company to make temporary or permanent reductions in forces when considered necessary by the Company.

A-4

(b) It is recognized that shift work is essential for employee groups covered by this Contract, in order to provide for continuous operation and service. However, insofar as

A-8  
A-52  
A-81  
A-88



possible, day work shall prevail. Where shift work is necessary, the Union and the Company shall cooperate in providing the necessary manpower, with the required ability, to fill day, afternoon, and night as well as weekend work schedules.

(c) Except when changing schedules or agreed otherwise, employees shall have consecutive off days, but not necessarily in the same work week.

(d) The work week of an employee for payroll purposes shall be from midnight Sunday to midnight the following Sunday. Employees working on a shift beginning two hours or less before midnight will be considered as having worked their hours following midnight. Employees working on a shift ending two hours or less after midnight will be considered as having worked their hours before midnight.

(e) The work week of an employee for purposes of determining off-days shall begin on midnight Sunday and consist of seven consecutive days in which the employee is scheduled to work five days and be off two days or scheduled to work four days and be off three days.

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

(g) The first eight hours of work per day will be at straight time for regular scheduled work days, time and one-half for the employee's first scheduled off-day in the work week and double time for the employee's second scheduled off-day in the work week. Any time in excess of eight hours per day will be paid at the rate of time and one-half, except the employee's second scheduled off-day worked, which will be paid at double time. For employees who work a four day-10 hour schedule, the first 10 hours of work per day will be at straight time for regular scheduled work days, double time for the employee's second consecutive scheduled off-day and time and one-half for all other scheduled off-days. Any time in excess of 10 hours per day will be paid at the rate of time and one-half except the employee's second consecutive scheduled off-day worked which will be paid at double time.

A-89

(h) In no case will an employee be forced to take time off in lieu of time worked outside his Regular Scheduled Work Day, but should an employee elect not to work during his Regular Scheduled Work Day he shall not receive pay for such time.

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

(j) When overtime occurs within a job classification where more employees are qualified and available to work than are necessary at the moment, the Company and Union have agreed to maintain a system of selecting the employees within the job classification at each headquarters who are to work, in a sincere effort to equalize overtime work, through a set of overtime guidelines that have been established and are contained in a separate document. The employees will be notified in advance, whenever possible, when they are required to work overtime. In the event the available overtime is not offered to the entitled employee(s) under the established overtime guidelines, the

A-18  
A-63  
A-64

Company will offer the affected employee(s) make-up overtime. All make-up overtime must be offered and worked by the employee within six months of the time the disparity occurred.

(k) Overtime lists shall be posted weekly, in each headquarters, showing the overtime hours worked or waived during the previous week by each employee at the headquarters. Probationary employees shall not be included in the overtime lists.

(l) 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 or in case of an off-day, after what would have been his scheduled hours on that day.

(m) Employees called out for overtime work, other than for planned overtime, shall be paid a minimum of four hours at the appropriate overtime rate. A-60

(n) 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 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 which occurs on a regular holiday or 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.

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

## ARTICLE VIII -- WORKING CONDITIONS

Section 1. CHANGE IN SCHEDULE: (a) Each employee shall have a specific hour for reporting for work, and shall be entitled to not less than 24 hours notice of any change. Employees, whose schedules are changed to include an off day on the next succeeding day, shall receive such notification within 15 minutes prior to or after the start of their regularly scheduled hours of work on the day previous to such a change.

(b) If an employee is required to commence working on a schedule which was changed without 24 hours notice, he shall receive the appropriate premium pay for all consecutive hours worked. Employees, who are not notified within 15 minutes prior to or after the start of their regularly scheduled hours of work of a schedule change that includes an off day on the next succeeding day, shall receive the appropriate premium pay for all hours worked during their next scheduled work day.

Section 2. TRANSFERS AND REASSIGNMENTS: (a) Each employee shall have a specific headquarters for reporting for work. There shall be no unreasonable, A-54

disciplinary or discriminatory transfers, but the right of the Company to effect transfers, reassignments and logical site reporting to properly run its business is recognized. The Company will discuss transfers, reassignments and logical site reporting in advance with representatives of the Union except in instances where the employees with the least classified seniority are selected or where the employees volunteer. Employees may be assigned to report to a logical site reporting location for any assignment expected to be a minimum of three days.

(b) Transfers which are for periods of 14 consecutive calendar days or less will be considered temporary transfers. Transfers of 15 consecutive calendar days or more to either permanent or temporary headquarters, planned in advance, will be considered reassignments. Notification of availability of a reassignment will be posted at least 2 weeks in advance of the requirement. Eligible employees may request a preference for the reassignment. If there are no voluntary requests, the qualified individuals lowest on the classified seniority list will be assigned.

(c) During periods of temporary transfers or reassignments, the employees will report to and work out of the new headquarters. Such employees will be paid one hour's pay at the straight time rate and mileage at the prevailing rate based on the round trip distance between the employee's regular headquarters and temporary headquarters for each day of a temporary transfer and for the first 14 consecutive calendar days of a reassignment to a temporary headquarters. If a temporary reassignment exceeds three months, the employee will be paid in a similar manner when they return to their regular headquarters. Neither the one hour's pay nor the mileage applies for temporary transfers or reassignments of employees whose normal assignment is to home site report.

When it is necessary to temporarily assign probationary employees to a headquarters other than their own or to a job site reporting location that is farther from 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 the employee is required to drive. No mileage compensation will be paid for the temporary assignment if the other reporting location is closer to the employee's home.

(d) When it is necessary to temporarily assign employees to a logical site reporting location that is further from their home than their regular headquarters, such employees will be paid mileage at the prevailing rate based on the additional round trip mileage employees are required to drive. No mileage compensation will be paid for the temporary assignment if the other reporting location is closer to the employee's home.

(e) Logical site reporting 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.

(f) 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 logical site reporting are not applicable. An option to the mileage provision is that employees may, during a logical site reporting assignment,

A-82

pick up and return a Company vehicle to their regular headquarters, provided travel is on their own time.

Section 3. FOREMEN'S DUTIES: Foremen's duties shall be restricted to direct supervision except for Foremen's and employees' training, in cases of emergency, or for such incidental work as may occasionally be required.

Section 4. SAFETY AND HEALTH: (a) The Company shall make all reasonable provisions for the safety and health of the employees. A suitable number of raincoats, hats, boots, gloves and water facilities and any other safety equipment required by the Company shall be provided on the job. Adequate locker, toilet and shower facilities shall be provided at all permanent headquarters from which the men operate or in the shop where they are employed. A reasonable effort will be made to provide similar facilities at temporary headquarters.

(b) Employees shall be held responsible for the equipment assigned to them.

(c) In order to promote health and safety among the Company's employees, the Company and the Union agree that a Joint Safety Advisory Committee will be established. This Committee shall meet quarterly upon the Union's request to the chairman of the committee, who shall be the Safety Director of the Company. The purpose of the Joint Safety Advisory Committee is to give consideration to those general accident prevention programs and policies that affect the safety and health of the employees represented by the Union. The Joint Safety Advisory Committee shall not deal with individual or group grievances. It is agreed that the administration of the accident prevention and medical policies, programs and procedures are vested in and reserved to Management. It is further agreed that employees engaged in the Joint Safety Advisory Committee meetings during working hours shall suffer no loss of pay for such time.

(d) The Company agrees that an employee is authorized to call for assistance if, in the employee's judgment, his safety is endangered.

Section 5. CONTRACTING OUT: (a) No employee shall be deprived of work through contracting with outside parties. When it is necessary to use private equipment, such equipment shall be manned and operated by employees, provided qualified employees are available and said equipment can be obtained on this basis.

A-13

(b) In order to meet the unusual amount of work due to deferred maintenance and an abnormal expansion of new construction, the Company contemplates that it will be necessary to continue to contract for some of this work. This is believed necessary in order to avoid the building up of a large temporary force to meet an unusual condition. If such a force were built up it would either be necessary to lay off the additional employees hired when the work was caught up, or it might become impossible to assure 40 hours work per week for 52 weeks per year for regular employees as provided for under this Contract.

A-36

(c) It will continue to be the policy of the Company, when contracting for work, not to contract for any work which is ordinarily done by its regular employees if contracting for the work would result in the layoff of any regular employees.

(d) In deciding what work shall be contracted by outside forces the Company will take into consideration the necessity of meeting the completion requirements of the work in order that the service needs of the customers may be met. The Company will make reasonable efforts to utilize our normal working force where possible to do this work.

(e) The question of what proportion of this work will be done on an overtime basis will depend on the urgency of the work, weather conditions, volume and nature of the work and the availability of the working force.

**Section 6. MEAL COMPENSATION:** Employees working extra time shall be entitled to a suitable lunch or compensation therefore at the conclusion of two hours in excess of eight working hours; similar lunch or money at each five-hour interval thereafter until released from duty. Employees who work a four day-10 hour schedule shall be entitled to a suitable lunch or compensation in lieu thereof, whenever they work one hour or more in excess of their normal workday; similar lunch or money at each five hour interval thereafter until released from duty. On call-out of employees for emergency work on an off-day, such employees called out to work shall be furnished a suitable lunch or compensation in lieu thereof after each five hour interval until released from duty. The meal compensation allowance shall be as follows:

Current	Effective First Day of Pay Period Following Ratification	Effective			
		5/15/2017	5/15/2018	5/15/2019	5/15/2020
\$10.75	\$11.25	\$11.25	\$11.50	\$11.50	\$11.50

**Section 7. TRANSPORTATION:** Except when employees are engaged in a logical site reporting assignment, all transportation of employees from shop to job or job to job, or job to shop shall be provided by the Company when same is required in the line of duty.

**Section 8. WITNESSING FOR COMPANY:** Regular pay and reasonable or required expenses will be allowed employees who may be summoned or requested to testify for the Company.

A-1

**Section 9. JURY DUTY:** Employees required to serve on a jury shall be compensated on the basis of their regular wage.

**Section 10. PAYDAYS:** Paydays shall continue as at present, i.e., one every other calendar week. Paychecks will be mailed to the employee's home address. Employees on a volunteer basis may elect direct deposit. Employees hired on or after January 1, 2006 will be required to use direct deposit. Checks will be directly deposited into one or more bank accounts employees shall designate and authorize. Direct Deposit advices will be mailed to the employee's home address if she/she has elected to receive a printed copy.

**Section 11. RETROGRESSION:** Should an employee, who has given long service to the Company, become physically unable to satisfactorily and safely perform the regular duties of his job classification, an effort will be made by the Company to find work of a less strenuous nature for which he is qualified. The employee's hourly rate will be red-circled at the time of his assignment to a job of a lower classification until his hourly rate is equal to the maximum hourly wage rate of the job classification to which he has been assigned.

**Section 12. JOB ABOLISHMENT:** Should an employee have his job abolished, 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 job being abolished 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 rate or until he qualifies and receives a promotion.

A-90

**Section 13. GENERAL ILLNESS:** (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 pay day following the date such employee becomes eligible.

A-5  
A-9

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short-Term Disability consisting of up to 26 weeks of pay per incidence with payment based on the schedule below or until the employee is able to return to work, whichever comes first. During the seven consecutive calendar day waiting period, it is intended that no employee will incur a loss of more than five scheduled days of straight time pay.

The administration of short-term disability compensation will be as follows:

<b>Years of Service</b>	<b>Maximum Weeks at 100% Pay per Occurrence</b>	<b>Weeks at 66 2/3% Pay</b>
0-1	None	All
1-5	10	Balance
6-10	15	Balance
11-14	20	Balance
15 or more	26	N/A

(c) After an employee has been continuously disabled, subject to medical determination, and is unable to return to work for more than 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) Compensation will not be provided for illnesses resulting from such causes as: illegal use of drugs or alcohol, willful intention to injure oneself, the commission of a crime, elective or cosmetic procedures not covered by the medical plan, the employee's refusal

to adopt such remedial measures as may be commensurate with his disability, or permit reasonable examination by the Company.

(e) In order to facilitate the scheduling of the work forces, an employee who will be absent from work shall notify the Company within a reasonable period of time before his scheduled shift if possible and shall likewise give the Company reasonable advance notice of his return to work. Unless an employee notifies the Company concerning the cause of his absence before the end of the first scheduled working day of such absence, his waiting period and subsequent claim for sick leave pay shall not begin until such notice is received.

(f) Failure to present a certificate from a physician licensed to practice medicine prior to the end of the fifth scheduled working 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.

(g) If an employee requests work of a less strenuous nature for a temporary period following an illness or disability, the Company will make an effort to find such work providing the employee's physical condition is satisfactory and is approved by the Company physician.

Section 14. HOSPITAL AND MEDICAL PLANS: (a) Any health care plans (medical or dental) that the Company unilaterally implements at its sole discretion for the general non-represented employee population shall also be provided to the bargaining unit employees at the same costs and plan design structure as for the non-represented employees. It is expressly understood that the right to add, eliminate, and alter or to make any other changes to these health care plans or to employee costs for the plans, is reserved to the Company.

A-14  
A-78

(b) The Company's part of the monthly premiums for the health care plans will continue to be paid while an employee is receiving illness or accident compensation, provided the employee was covered by such plan immediately prior to the employee's sickness or industrial accident.

(c) For the term of this Contract, post-retirement health care under the health care plans sponsored by Duke Energy Corporation will be made available to all union Employees hired prior to January 1, 2012 in accordance with the terms of the letter from the Company to the Union dated April 4, 2005, Sidebar Letter A-71 dated August 1, 2007, Sidebar Letter A-71a dated June 3, 2011 and the "2016-2021 Post Retirement Health Care Letter" dated June 2, 2016. Union employees who are hired on or after January 1, 2012, will not be eligible for either the Traditional Option (as defined by the applicable sidebar letters) or the HRA Option (as defined by the applicable sidebar letters), but such employees shall be eligible for access (at unsubsidized rates) to post-retirement medical, dental and vision coverage as described in the "2016-2021 Post Retirement Health Care Letter" if they have attained age 50 and completed at least five years of service as of the date of their retirement.

A-71  
A-71a  
A-76  
A-91  
A-92

Section 15. INSURANCE, HEALTH & WELFARE BENEFITS: Any insurance, health and welfare benefit plans under the Duke Energy Active Health & Welfare Benefit

A-68

Plans not specifically referenced elsewhere in this Contract (e.g. life insurance, supplemental, accidental death and dismemberment, long term disability, and dependent life insurance) that the Company maintains and/or implements for the general non-unionized employee population shall also be provided to the bargaining unit employees at the same benefit levels, costs, and plan design structure as for the non-unionized employees. The Company has the right to add, eliminate, and alter or to make any other changes to these insurance, health and welfare benefit plans or to the employee costs for the plans, consistent with any changes it makes for the general, non-unionized employee population.

Section 16. INDUSTRIAL ACCIDENTS: An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to one half of the difference between what he/she would have received at regular work and the amount received as compensation for such injury, for a period not to exceed 26 weeks. This supplemental industrial accident compensation will begin after an initial seven calendar day waiting period and will continue for not more than 26 weeks of continuous disability. However, if an industrial accident disability continues for 14 or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven-day waiting period.

Section 17. INCLEMENT WEATHER: The Company will not require employees to work out of doors in heavy or continuous storms or excessively cold temperatures in exposed locations, unless such work is necessary to conform to the law or applicable regulations, to protect life, property, or to guarantee service to the customers. Employees covered by this Contract shall not be required to lose time due to such weather conditions, but the Company may provide work indoors or under adequate shelter at their regular rate of pay.

A-7  
A-65

Section 18. 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 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 days following the funeral. No pay will be granted for regular scheduled off days.



Relationship	Maximum Consecutive Calendar Days Off	Maximum Consecutive Working Days Off With Pay
Spouse or Domestic Partner	7	5
Child, Stepchild or Foster Child	7	5
Mother, Stepmother or Foster Mother	7	5
Father, Stepfather or Foster Father	7	5
Brother, Stepbrother	7	5
Sister, Stepsister	7	5
A legal dependent residing in the employee's household	7	5
In-Laws (father, mother, brother, sister, son or daughter)	5	3
Grandchild, Step Grandchild	6	4
Grandparent/Spouse's Grandparent	4	2

With supervisory approval, bereavement may be taken in segments. For example, an employee may take time off on the day of the death, return to work and then take off additional time to attend the funeral. If an employee has worked four 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 hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

Section 19. BULLETIN BOARDS: The Company agrees to furnish bulletin boards at all division headquarters. The use of these boards is restricted to the following: notices of Union meetings, notices of Union election, 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 Regional Director or any duly elected or appointed official of the Local Union. There shall be no other general distribution or posting by members of the Union of pamphlets or literature of any kind except as provided for herein.

Section 20. UNION OFFICE: (a) Members of the Union selected for full time office shall be entitled to unpaid leaves of absence without prejudice or loss of seniority. Such leaves of absence shall be limited to a period of one year, and shall be renewed at the conclusion thereof, if necessary. At no time shall the operations of the Company be interfered with by such leaves of absence. All requests for such leaves of absence shall be in writing and submitted at least one week in advance.

(b) Except as it may conflict with other provisions of this Contract, the President, Vice President, Recording Secretary, and elected Grievance Committee men shall not be required to work regular afternoon and night shifts. However, not more than two employees from each headquarters may exercise this privilege.

Section 21. ADDRESSES AND TELEPHONE NUMBERS: Each employee in a job classification represented by the Union shall be responsible for maintaining an up-to-date address and telephone number on file at the Company. Forms to report changes will be provided by the Company and made available to employees at each headquarters.

Section 22. **PERSONAL DAY:** (a) An employee who has completed six months of continuous service shall be entitled to four compensated personal days off each calendar year. Requests for personal days must be made at least seven 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 seven 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 months of continuous service shall be entitled to one compensated Diversity Day off each calendar year. Requests for this day must be made at least seven calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, less than a seven 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. If the Diversity Day is not used during a year, it shall be lost and no additional compensation shall be granted.

Section 23. **TEAMS:** The purpose of bargaining unit teams is to promote an environment of continuous improvement in the work place for the mutual benefit of the Company, its customers, and the Union. Performance of special functions and duties within the team is voluntary. The teams will not be involved in any issue or take any action or make any decision which will subordinate the interests and viability of the Union. The teams will not engage in collective bargaining or deal with management over bargainable issues, as all parties recognize this to be the exclusive role of the Union.

A-40

## **ARTICLE IX – ADMINISTRATION AND GRIEVANCE ADJUSTMENT**

Section 1. (a) The Union shall maintain a system of Stewards whose duties shall be to represent the Union in seeing that the provisions of this Contract as they apply on the job are observed at all times. The Union shall have a Grievance Committee composed of five\* members. This committee shall meet with the management of the Company on all matters pertaining to the provisions of this Contract, and any and all matters of dispute between the Union and the Company under the terms and during the life of this Contract. The Recording Secretaries for the Local Unions may also attend such meetings.

A-15  
A-21

(b) If an employee, after consulting with the immediate supervisors, feels that a grievance exists, the avenue of grievance adjustment shall be: first, between the employee and the officially designated steward, and the foreman or supervisor; second, between members of a Union Grievance Committee consisting of not more than five\*\* members and the Department Management; third, between the Union Grievance Committee, Agents of the Union and officials of the Company. The Recording Secretaries for the Local Unions may also attend second and third step grievance meetings. If a

satisfactory settlement cannot be reached before the second step of the procedure outlined above, the grievance shall be reduced to writing by the Union.

(c) An employee, who is considered by the Union or the Company necessary to the proper settlement of the grievance, shall be present at the grievance meetings.

(d) The Union Grievance Committee and the Recording Secretaries of the Local Unions when engaged during their regular working hours in grievance meetings with Management shall not suffer a loss of pay for such time.

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\*The Grievance Committee of Local Union 5541-06 shall consist of not more than three members.

\*\*The Grievance Committee of Local Union 5541-06 shall consist of not more than three members.

## ARTICLE X – ARBITRATION

Section 1. (a) If the parties are unable to resolve the grievance following the third step, the Union, within 30 workdays of receipt of the third-step response, may notify Labor Relations in writing of its desire to advance the grievance to arbitration.

(b) Upon receipt of the Union's notification the parties will promptly petition the Federal Mediation and Conciliation Service (FMCS) for a panel of seven arbitrators and an arbitrator will be selected by the parties. In the event that no acceptable arbitrator appears on the panel of arbitrators submitted by FMCS either party may request an additional panel from FMCS.

(c) The arbitrator so selected shall hold a hearing as promptly as possible on a date satisfactory to the parties. If a stenographic record of the hearing is requested by either party, the initial copy of this record shall be made available for the use of the arbitrator and the party requesting the records. The cost of this initial copy and its own copy shall be borne by the requesting party, unless both parties desire a copy. If both parties desire a copy they shall equally share the cost of the arbitrator's copy, and shall each bear the cost of any copies of the record they desire.

(d) After completion of the hearing and the submission of the post-hearing briefs, the arbitrator shall render a decision and submit to the parties written findings that will be binding on both parties to the Agreement.

(e) The arbitrators' and other joint expenses mutually agreed upon shall be borne equally by both parties.

(f) The arbitrator 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 decision of the arbitrator or subsequent thereto.

**ARTICLE XI – DISCIPLINE AND DISCHARGE**

Section 1. (a) The Company will not discipline or discharge an employee save for just cause. Written notice of any discharge or disciplinary action involving lost time taken by the Company against any employee shall be furnished to the Union and the employee within two working days.

(b) Appeal from discharge must be taken within five working days in the form of a written notice from the Union to the Company. The Company and the Union shall strive to reach a just decision within 10 days following the appeal. Failing therein, the matter shall be submitted to arbitration as provided above.

(c) This Section shall not apply to disciplinary action taken in accordance with Article I, Section 2, of this Contract.

**ARTICLE XII – HOLIDAYS**

Section 1. (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 community practice is not consistent with the indicated date.

A-10  
A-16  
A-17

Holiday	Date Recognized
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 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 eight hours straight time holiday pay provided the employees have worked their scheduled day before, or his scheduled day after the holiday. Employees who are on a four day-10 hour schedule will receive 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, provided the employees have worked their scheduled day before, or their scheduled day after the holiday. Employees whose regular scheduled work week does not include the paid holiday will receive eight hours of straight time holiday pay. Regular employees who are scheduled to work on a recognized holiday will be paid at time and one-half for the first eight hours worked in addition to their straight time holiday pay.

(d) An employee called out to work on a recognized holiday for a period of four hours or less will be paid for four hours at time and one-half in addition to his straight time holiday pay. An employee called out to work on a recognized holiday for a period of more than four hours but less than eight hours will be paid for eight hours at time and one-half in addition to his regular straight time holiday pay.

(e) Employees who are required to work more than eight hours on a recognized holiday will be paid at the rate of double time for all such work in excess of eight hours.

(f) When necessary, employees will be granted a reasonable time off with pay to vote in a national, state or local election.

(g) Excluding planned projects and appointments prompted by customer requests, no field construction, field maintenance or routine customer service work shall be performed on the actual calendar holidays for Labor Day, Thanksgiving Day and Christmas Day, except that which is necessary to protect life, property or continuity of service.

### **ARTICLE XIII – VACATIONS**

Section 1. (a) Every effort will be made to grant vacations 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.

(b) Vacations for employees will be granted with pay during the calendar year in which they complete the specified number of years of continuous service on the following basis:

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

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

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

(4) Employees with 15 or more years of continuous service with the Company shall be entitled to a four week vacation or, if required to work by the Company, payment of one week's wages (40 hours at straight time) in lieu thereof for the fourth week.

(5) Employees with 21 or more years of continuous service with the Company shall be entitled to a five week vacation or, if required to work by the Company, payment of one week's wages (40 hours at straight time) in lieu thereof for the fifth week.

(6) Employees with 32 or more years of service with the Company shall be entitled to a six week vacation or, if required to work by the Company, payment of one week's wages (40 hours at straight time) in lieu thereof for the sixth week.

(c) An employee accrues entitlement of 1/12 of their current year's vacation for each full month the employee is employed during the current calendar year or is on STD, or leave of absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year. However, in the event of an employee's death, the estate of the employee will be paid the unused portion of the employee's total vacation allotment for the current year.

(d) The anniversary of employment shall determine the employee's vacation status.

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

(f) An employee who is eligible for more than a three week vacation may be required to take the vacation in excess of three weeks outside the preferred vacation period, which is the period from June 1 to September 30.

(g) An employee who meets all the qualifications for vacation, and is on a Leave of Absence for illness on the last day in the calendar year previous to the vacation, will be entitled to vacation.

(h) When a holiday falls within an employee's vacation such employee shall receive either an additional day's pay to compensate for the loss of such holiday or the paid vacation period shall be extended for one day, at the discretion of the Company.

(i) 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 four or more weeks of vacation in a calendar year may arrange to take an additional five days of that vacation in one day increments. Requests for these additional five days must be made seven or more calendar days prior to the date requested and must be approved by supervision. The decision to grant or not grant a one day vacation by supervision shall not be subject to the grievance and arbitration procedure. 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.

(j) An employee's vacation (full week) 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, 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.

#### **ARTICLE XIV – NATIONAL DEFENSE**

Section 1. (a) Employees who volunteer for or are drafted in the armed services of the United States, or are conscripted by the United States Government, shall retain all rights and privileges under this Contract, including seniority standing and shall be entitled to vacation pay due.

(b) The Company in recognition of service rendered to the Nation, agrees to restore all employees to their former positions, except those dishonorably discharged, who notify the Company within the time specified by applicable legislation of their desire to return to work. An employee who leaves the Service ill, injured or unable to work shall retain all rights of his former job until he is able to work. An injured, weakened or partially disabled employee shall be offered light duty, if he is physically able to perform such work. All Company sponsored life and AD&D insurance coverage for employees starting an approved military leave of absence will be continued for a period of up to six months with the same cost sharing as before the leave began.

(c) The foregoing provisions shall apply only to employees who are eligible for statutory re-employment rights.

#### **ARTICLE XV – DEPARTMENT STEWARDS**

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 the Company who are covered by this Contract shall be designated as Stewards.

#### **ARTICLE XVI – RETIREMENT BENEFITS**

Section 1. RETIREMENT INCOME PLAN: (a) Eligible employees represented by the Union hired or rehired before January 1, 2017, will participate or continue to participate in the existing Cinergy Corp. Union Employees' Retirement Income Plan (hereinafter called the "Retirement Income Plan") as amended and restated effective January 1, 2014 and subsequently amended to make legally-required changes as required by appropriate federal legislation and regulation governing such plans or technical changes, under the terms set forth in the "Amendment to A-71 Retirement Plan and HRA Conversion

Agreement" dated June 2, 2016. Employees hired or rehired on or after January 1, 2017 will not be eligible to participate in the Retirement Income Plan.

(b) In consideration of the additional benefits incorporated in the Retirement Income Plan, the parties to this Contract agree that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Contract in effect on May 15, 2021.

Section 2. RETIREMENT SAVINGS PLAN: (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 the "Duke Energy Retirement Savings Plan", hereinafter called the "Retirement Savings Plan."

(b) The Retirement Savings Plan is described in the Company's publication the "Duke Energy Retirement Savings Plan", Summary Plan Description and Prospectus.

(c) The Company hopes and expects to continue the Retirement Savings Plan indefinitely but it must reserve the right to alter or amend it or merge it into any other Savings Plan at any time. Any reduction or discontinuance of Company contributions during the term of the Contract will be subject to collective bargaining. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Retirement Savings 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 Retirement Savings Plan.

## **ARTICLE XVII – INTERRUPTION OR PYRAMIDING BENEFITS**

Section 1. (a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation, it is agreed that under no circumstances shall any Section of this Contract be interpreted to provide the pyramiding of a benefit or premium payment to employees covered by this Contract. 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 the provision are that an employee's sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Contract. In the event of a death of a relative as defined in Article VIII, Section 18 occurs after the start of an employee's vacation, any compensable bereavement time off under the Contract would interrupt the vacation and replace the unused planned vacation days. The rescheduling of the unused vacation days interrupted by the death must be approved in advance by supervision and shall not impact normal administration of vacation in one-day increments as provided in Article XIII, Section 1(i).



## ARTICLE XVIII – DURATION


Section 1. (a) The Contract shall become effective as of May 15, 2016, and all the provisions thereof shall continue in full force and effect until May 15, 2021, and thereafter for successive three year periods unless one of the parties hereto on or before the 60th day next preceding any contract anniversary date shall notify the other party hereto, in writing, of its desire to modify or terminate the same.

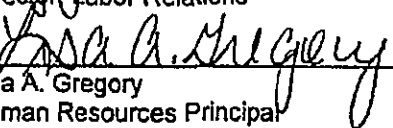
(b) Joint conferences between representatives of the Company and the Union shall be promptly started following any of the above notifications for the purpose of reaching a mutually satisfactory agreement.

(c) On or before May 15, 2021, this Contract may be extended by mutual agreement of the parties for a specific number of calendar days. If a tentative agreement on the terms of a new Contract has been reached on or before May 15, thereafter the Union shall have one-half of the specified number of days in which to submit the Contract 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 specified number of days as notice before a work stoppage occurs.

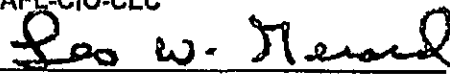
IN WITNESS WHEREOF, the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (USW), AFL-CIO-CLC, on behalf of Local Unions 12049 and 5541-06, and Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc., do hereby, by their duly authorized agents, in the premises, execute and sign this 2016 – 2021 Contract in duplicate this 7th day of July 2016.

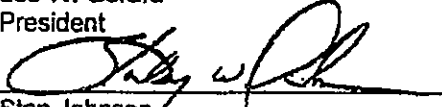
DUKE ENERGY OHIO, INC.  
DUKE ENERGY KENTUCKY, INC.  
Cincinnati, Ohio

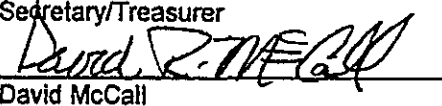
  
\_\_\_\_\_  
Jay R. Alvaro  
Director, Labor Relations

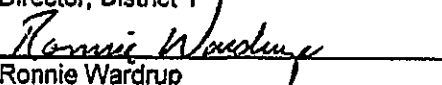
  
\_\_\_\_\_  
Lisa A. Gregory  
Human Resources Principal

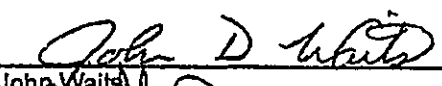
UNITED STEELWORKERS (USW),  
AFL-CIO-CLC


  
\_\_\_\_\_  
Leo W. Gerard  
President

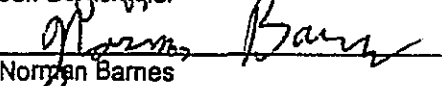
  
\_\_\_\_\_  
Stan Johnson  
Secretary/Treasurer

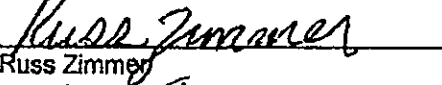
  
\_\_\_\_\_  
David McCall  
Director, District 1

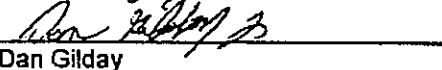
  
\_\_\_\_\_  
Ronnie Wardrup  
Staff Representative

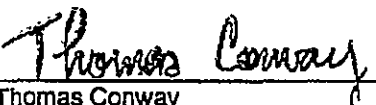
  
\_\_\_\_\_  
John Waits


  
\_\_\_\_\_  
Jeff Berkenheier

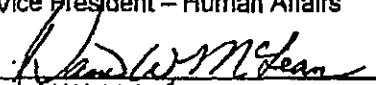
  
\_\_\_\_\_  
Norman Barnes

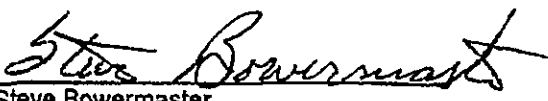
  
\_\_\_\_\_  
Russ Zimmer

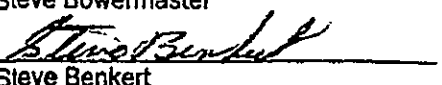
  
\_\_\_\_\_  
Dan Gilday

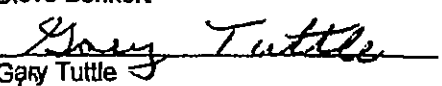
  
\_\_\_\_\_  
Thomas Conway  
Vice President – Administration


  
\_\_\_\_\_  
Fred Redmond  
Vice President – Human Affairs

  
\_\_\_\_\_  
David W. McLean  
Sub 5 Director

  
\_\_\_\_\_  
Steve Bowermaster

  
\_\_\_\_\_  
Steve Benkert

  
\_\_\_\_\_  
Gary Tuttle

  
\_\_\_\_\_  
Scott Newkirk

# Appendix A

## **Historical Documents Preserved And Made A Part Of This Agreement For Interpretation And Application**

The index and marginal references in the Labor Agreement to documents in Appendix A are intended only for convenience in administering the Labor Agreement. The index and marginal references and Appendix A are not intended to list every document that could be applicable to any factual situation arising under a given Article or Section of the Labor Agreement. It is also not intended that each document referenced in an Article or Section will be applicable to any or all factual situations covered by the referenced Article or Section. No inferences, presumptions, or conclusions shall be drawn by the Company, the Union, or any arbitrator from the indexing of, a marginal reference to, or failure to reference any document listed in Appendix A.

## Appendix A

### HISTORICAL DOCUMENTS PRESERVED AND MADE PART OF THIS AGREEMENT FOR INTERPRETATION AND APPLICATION INDEX BY CONTRACT CLAUSE

A-DOC #	CLAUSE	ISSUE	DATE
A-41	Article II, Section 1	Union Security – Company Neutrality	10/07/96
A-28	Article V, Section 1	Training Union on Job Evaluation Procedure	05/13/94
A-62	Article V, Section 2	Supervisory Upgrades	08/01/07
A-87	Article VI, Section 2(a)	Seniority Departments	06/02/16
A-27	Article VI, Section 3	Notification to the Union of Posted Job Openings	05/13/94
A-61	Article VI, Section 3(b)	Promotional Retraining	01/18/02 (10/07/96) (05/13/94)
A-80	Article VI, Section 3(c)	Gas Operations Promotional Sequences and New Position	06/02/16 (04/18/11)
A-4	Article VII, Section 1	Continuity of Work and Overtime	07/05/79
A-8	Article VII, Section 1	Inspecting Mechanic Job Class – No Shift Rotation	05/17/82
A-52	Article VII, Section 1	Work Hours	01/18/02 (10/07/96) (05/13/94)
A-81	Article VII, Section 1(b)	Field Operations – Schedule Replacement Guidelines	06/03/2011
A-88	Article VII, Section 1(b)	Work Hours Beyond Normal Scheduled Shift	06/02/16
A-89	Article VII, Section 1(g)	Emergency Work Outside of Ohio/Kentucky Service Territory	06/02/16
A-18	Article VII, Section 1(j)	Scheduling Make-up Overtime	05/23/91
A-63	Article VII, Section 1(j)	Overtime Guidelines –Field and Systems Operations, Contractor Construction, Corrosion, Gas Production and Measurement Center	06/02/16 (06/03/2011) (06/14/07)
A-64	Article VII, Section 1(j)	Service Delivery Overtime Guidelines	06/02/16 (06/15/07)
A-60	Article VII, Section 1(m)	Call Out Pay	01/18/02
A-54	Article VIII, Section 2	Voluntary Transfers Between Headquarters	06/02/16 (01/18/02) (10/07/96) (05/13/94)
A-82	Article VIII, Section 2(f)	Home Site Reporting Guidelines	06/02/16 (06/03/2011)
A-13	Article VIII, Section 5	Company Monitor Contractor Safety	05/23/91
A-36	Article VIII, Section 5	Inspecting Mechanics - AMRP	06/03/2011 (10/07/96) (05/13/94) (05/23/91)
A-1	Article VIII, Section 8	Witness Pay for Criminal Cases	06/11/73
A-90	Article VIII, Section 12	Welders Returning to C&M	06/02/16
A-5	Article VIII, Section 13	One-time Use of Sick Pay for Chemical Addiction Rehab.	07/05/79
A-9	Article VIII, Section 13	Employee Notification of Absence Expectations	05/24/85

A-DOC #	CLAUSE	ISSUE	DATE
			(05/18/76)
A-14	Article VIII, Section 14(a)	Company May Replace Health Care Plans	05/23/91
A-78	Article VIII, Section 14(a)	Health Care Security	06/03/2011
A-71	Article VIII, Section 14(c)	Retirement Plan and HRA Conversion Agreement	06/03/2011 (08/01/07)
A-71 Amendment	Article VIII, Section 14(c)	Post Retirement Healthcare	06/03/2011
A-76	Article VIII, Section 14(c)	Post-Retirement Medical Benefits	04/04/05
A-91	Article VIII, Section 14(c)	2016-2021 Post Retirement Healthcare Letter	06/02/16
A-92	Article VIII, Section 14(c)	Amendment to A-71 "Retirement Plan and HRA Conversion Agreement"	06/02/16
A-68	Article VIII, Section 15	\$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage	08/01/07
A-7	Article VIII, Section 17	Inclement Weather	07/05/79
A-65	Article VIII, Section 17	Inclement Weather – Service Delivery	08/01/07
A-40	Article VIII, Section 23	Participative Management Team Guidelines	10/07/96 (05/13/94)
A-15	Article IX, Section 1	Personal Attorneys During Grievances and Arbitrations	05/23/91
A-21	Article IX, Section 1	Timeliness of Grievance Procedure	05/13/94
A-10	Article XII, Section 1	No Holiday Pay Eligibility for Unavailability	05/24/85
A-16	Article XII, Section 1	Double Time Rate and Consecutive Holidays	05/23/91
A-17	Article XIII, Section 1	Holiday Occurs During Scheduled Vacation Period	05/23/91
A-2	Misc.	Customer Service Route Bidding	06/11/73
A-22	Misc.	Family and Medical Leave Act	05/13/94
A-23	Misc.	Construction Assistants – Duties and Pay Rate	05/13/94 (05/23/91)
A-25	Misc.	Inspecting Mechanics To Not Cross Union Local Areas	05/13/94
A-35	Misc.	Mechanic III	06/02/16 (10/07/96)
A-51	Misc.	Downbidding to Entry-Level Jobs	06/02/16 (06/03/11) (01/18/02) (10/07/96) (05/13/94) (05/23/91)
A-55	Misc.	Pay for Non-Industrial Medical Appointments	01/18/02 (10/07/96) (05/13/94)
A-57	Misc.	Paid Lunch Periods	01/18/02 (10/07/96) (05/24/85)
A-58	Misc.	Martin Luther King, Jr. Day	01/18/02 (10/07/96) (05/13/94)
A-67	Misc.	Union Employee Annual Incentive Program (UEIP)	06/03/2011 (08/01/07)

A-DOC #	CLAUSE	ISSUE	DATE
A-67a	Misc.	Amendment to A-67 Letter Regarding the Union Employee Annual Incentive Program (UEIP)	06/02/16
A-69	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs	08/01/07
A-70	Misc.	Sale of Assets	06/03/2011 (08/01/07)
A-72	Misc.	Discontinue Automatic Progression	08/01/07
A-73	Misc.	Benefit Claims Disputes	04/04/05
A-75	Misc.	Clothing Allowance	06/02/16 (06/03/2011) 04/04/05
A-77	Misc.	Special Union Wide Lump Sum Opportunity	06/02/16 (06/03/2011)
A-83	Misc.	Apprentice Mechanic Operator III	02/25/13
A-84	Misc.	Separation of Gas and Electric Customer Premise Work	03/20/14
A-85	Misc.	Safety Shoe Policy	06/02/16
A-86	Misc.	Global Positioning Satellite (GPS) Technology	06/02/16

## Appendix A

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A-DOC #	CLAUSE	ISSUE	DATE
A-1	Article VIII, Section 8	Witness Pay for Criminal Cases	06/11/73
A-2	Misc.	Customer Service Route Bidding	06/11/73
A-4	Article VII, Section 1	Continuity of Work and Overtime	07/05/79
A-5	Article VIII, Section 13	One-time Use of Sick Pay for Chemical Addiction Rehab.	07/05/79
A-7	Article VIII, Section 17	Inclement Weather	07/05/79
A-8	Article VII, Section 1	Inspecting Mechanic Job Class – No Shift Rotation	05/17/82
A-9	Article VIII, Section 13	Employee Notification of Absence Expectations	05/24/85 (05/18/76)
A-10	Article XII, Section 1	No Holiday Pay Eligibility for Unavailability	05/24/85
A-13	Article VIII, Section 5	Company Monitor Contractor Safety	05/23/91
A-14	Article VIII, Section 14(a)	Company May Replace Health Care Plans	05/23/91
A-15	Article IX, Section 1	Personal Attorneys During Grievances and Arbitrations	05/23/91
A-16	Article XII, Section 1	Double Time Rate and Consecutive Holidays	05/23/91
A-17	Article XIII, Section 1	Holiday Occurs During Scheduled Vacation Period	05/23/91
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A-22	Misc.	Family and Medical Leave Act	05/13/94
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A-55	Misc.	Pay for Non-Industrial Medical Appointments	01/18/02 (10/07/96) (05/13/94)
A-57	Misc.	Paid Lunch Periods	01/18/02 (10/07/96) (05/24/85)
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A-70	Misc.	Sale of Assets	08/01/07
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A-73	Misc.	Benefit Claims Disputes	04/04/05
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A-76	Article VIII, Section 14(c)	Post-Retirement Medical Benefits	04/04/05
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A-80	Article VI, Section 3(c)	Gas Operations Promotional Sequences and New Position	06/02/16 (04/18/11)
A-81	Article VII, Section 1(b)	Field Operations – Schedule Replacement	06/03/2011



A-DOC #	CLAUSE	ISSUE	DATE
		Guidelines	
A-82	Article VIII, Section 2(f)	Home Site Reporting Guidelines	06/02/16 (06/03/11)
A-83	Misc.	Apprentice Mechanic Operator III	02/25/13
A-84	Misc.	Separation of Gas and Electric Customer Premise Work	03/20/14
A-85	Misc.	Safety Shoe Program	06/02/16
A-86	Misc.	Global Positioning Satellite (GPS) Technology	06/02/16
A-87	Article VI, Section 2(a)	Seniority Departments	06/02/16
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A-89	Article VII, Section 1(g)	Emergency Work Outside of Ohio/Kentucky Service Territory	06/02/16
A-90	Article VIII, Section 12	Welders Returning to C&M	06/02/16
A-91	Article VIII, Section 14(c)	2016-2021 Post Retirement Healthcare Letter	06/02/16
A-92	Article VIII, Section 14(c)	Amendment to A-71 "Retirement Plan and HRA Conversion Agreement"	06/02/16

June 11, 1973

Mr. William F. Billingsley  
Representative  
United Steelworkers of America  
3333 Vine Street, Room 311  
Cincinnati, Ohio 45220

Dear Mr. Billingsley:

During the 1973 negotiations the committees of the Company and the Union discussed the Company's policy concerning allowing an employee, who is subpoenaed, to be off work to testify in a court proceeding which does not directly involve the Company.

Employees who are continually in contact with the public may occasionally witness acts which could lead to criminal arrests or observe personal injury or property damages which could result in litigation. In most instances, the actions observed by employees while within the scope of their employment can be recorded through written statements, affidavits, or in limited situations, depositions. Such gathering of factual information would not ordinarily involve absence from work.

In a very small proportion of cases, employees could be subpoenaed to testify in court proceedings. In criminal litigation the governmental body for whom an employee is subpoenaed may be unable to make the employee entirely whole for his lost earnings during the time of his testimony. However, in civil litigation, it is not uncommon for the party who causes the witness to be subpoenaed to reimburse the witness for resulting lost earnings and expenses.

Employees are not encouraged to go out of their way to make themselves available as witnesses to any incident which could ultimately be litigated. On the other hand, the Company does not want to penalize an employee who may be called upon to testify in the very unfrequent situations when he is not reimbursed for his expenses and loss of regular pay by the party who subpoenaed him. The Company will evaluate such cases on an individual basis to determine whether such civic minded and responsible employees should receive their regular pay when they are off work to testify.

Very truly yours,

Arthur R. Bohnschwender

A-1

June 11, 1973

Mr. William F. Billingsley  
Representative  
United Steelworkers of America  
1333 Vine Street, Room 111  
Cincinnati, Ohio 45220

Dear Mr. Billingsley:

During the 1973 negotiations the committees of the Company and the Union discussed the possibility of allowing Servicemen in the Customer Service Section of the Gas Operating Department to choose their routes on a seniority basis.

Upon the acceptance of the 1973-76 Contract, the department management and a committee of the Union will meet in an effort to draw up guidelines for the implementation of such a system. Providing a mutually agreeable set of guidelines is reached, the Company is willing to allow the assignment of routes on the basis of seniority for a trial period of one year. If this trial period proves satisfactory to the Company, the procedure will be continued during the term of the 1973-76 Contract.

Very truly yours,

Arthur R. Ehrnswander

cc: T. Mounts  
W. Egelston

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER  
VICE PRESIDENT  
ADMINISTRATIVE SERVICES

July 5, 1979

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
3300 Central Parkway  
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

During the 1979 negotiations, representatives of the Company and the Union discussed the allocation of overtime assignments.

The Company intends that overtime shall continue to be assigned in accordance with the long and well-established procedures of equalization within classifications at individual divisions or headquarters. While the low employee on the overtime list may not be called for a particular overtime occasion, the Company expects overtime to be relatively equalized over a period of time. Normally, it is not important to the Company which person in a designated classification performs an assignment as long as the individual is qualified. While a specific individual with certain skills may occasionally be necessary to perform a particular assignment, the occasions where that is required are limited. It is also understandable that employees who begin a particular overtime assignment may, for purposes of continuity, finish that work, even if the completion occurs at another time.

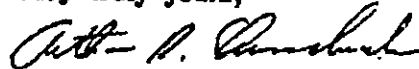
In making overtime assignments, all employees must understand the Company's needs. However, personal commitments of the employees involved also warrant serious consideration. Supervisors should attempt to avoid overtime assignments to individuals who have made previous personal commitments if others are readily available. It is understandable that individuals and families develop appointments and social obligations of importance. Although employees have a responsibility to be available for overtime assignments, supervisors should give recognition, when feasible, to employees' personal commitments. If operating needs require an individual to break his personal appointment, the least the responsible supervisors can do is to explain the reasons for this infringement to the individual.

In those areas where overtime scheduling has functioned most effectively, supervisors and employees have developed a mutual interest and pride in meeting the operational needs of the Company while giving maximum recognition to the personal interests of the employees. Supervisors attempt to notify employees of the need for overtime as far in advance as possible. Employees frequently suggest schedules or volunteer for planned assignments. Employees often trade assignments

with supervisors' permission. This type of cooperative effort can provide the basis for a healthy and productive atmosphere in any headquarters. With such a cooperative atmosphere, incidents of disciplinary action because an employee is excessively absent from overtime assignments will be minimized.

It is thought that this letter will clarify the Company's policy concerning overtime assignments.

Very truly yours,



Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER  
VICE PRESIDENT  
ADMINISTRATIVE SERVICES

July 5, 1979

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
3300 Central Parkway  
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

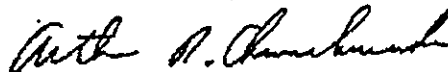
During the 1979 negotiations, representatives of the Company and the Union discussed the compensation policy for employees who undertake treatment for alcoholism.

While sick compensation has not previously been granted for the treatment of alcoholic conditions, the Company will alter that arrangement when an employee obtains treatment at an appropriate detoxification facility under the direction of the Company Medical Director or in coordination with the Medical Director and the employee's personal physician. Available sick pay may hereafter be used for the first continuous absence when an employee undertakes to correct an alcoholic problem through an approved program. If the initial rehabilitation effort at a treatment center is not successful, the employee will not be granted additional available sick pay.

The Company is willing to extend this extra effort to help afflicted employees and their families, to eliminate the burden imposed upon the fellow employees, and to minimize lost productivity and absenteeism caused by alcoholism. An employee who is unwilling to accept the responsibility for his own behavior or who refuses to participate in a necessary program will, as in the past, jeopardize his continued employment with the Company.

The Union is encouraged to make the Company Medical Director aware of individuals thought to have alcoholism problems. With such assistance, fellow employees may be given a chance for which they may be forever grateful.

Very truly yours,



Arthur R. Ehrnschwender

**THE CINCINNATI GAS & ELECTRIC COMPANY**



**ARTHUR R. EHRSCHWENDER**  
VICE PRESIDENT  
ADMINISTRATIVE SERVICES

July 5, 1979

**Mr. Thomas Spurlock**  
Staff Representative  
United Steelworkers of America  
3300 Central Parkway  
Cincinnati, Ohio 45225

Dear Mr. Spurlock:

During the 1979 negotiations, representatives of the Company and the Union attempted to clarify the inclement weather policy applicable to employees in the Construction & Maintenance Division of the Gas Operating Department. As has always been the case, any or all employees will be expected to work without regard to weather conditions when it is necessary to protect life, property, or continuity of service.

Employees will not be required to perform normal work when the headquarter's thermometer reads five degrees or less. However, after considering the current and anticipated weather conditions, crews will leave their headquarters and proceed to their assigned job sites. When the temperature is six degrees and rising and the wind is calm or light, all crews will begin working. If the temperature is ten degrees or less and the wind is strong and gusty, the crews at the job sites will not be required to perform normal work. Whenever the temperature reaches 11 degrees, employees will begin working regardless of wind conditions. The Company will make an effort to provide indoor duties, conduct training or provide outdoor work under protective conditions during inclement weather conditions for the remaining individuals.

During conditions of dry or light snow, employees will be required to continue to work unless storm conditions develop that are too severe to permit a job assignment to be completed safely. During conditions of drizzle or light rain employees will be required to continue working unless the precipitation is great enough to soak their clothes. During periods of moderate or heavy rain, crews will be dispatched or assigned duties as stated above for cold weather conditions. Every effort will be made by the Area Supervisor to assign work at locations suitable to existing weather conditions where an assignment may be safely performed. When a crew arrives at a job site, the crew leader will evaluate the weather conditions. Unless the weather conforms to the long established Company definition of inclement (unmerciful, severe, harsh, tempestuous, rough, stormy, boisterous, or otherwise hard to bear) the work will be performed as assigned. If weather conditions become inclement according to the above definitions at any time after work has been under way, the crew leader may stop operations, seek shelter in Company equipment, and communicate this fact to the Construction & Maintenance Dispatcher. The crew's supervisor will thereafter determine if the weather is inclement. In all cases the supervisor's evaluation will prevail. The Gas Operating departmental management will continually counsel with supervisors in an effort to assure fairness and continuity of judgment regarding inclement weather.

**A-7**

With the exception of the newly established temperature minimums, the management in the Gas Operating Department does not intend to amend the administration of the inclement weather provisions. These procedures were described in the recent arbitration decision and award resulting from a hearing on January 10, 1978 and were explained to employees at group meetings at the various headquarters earlier this year. The past administration clearly reflects that no employees have been required to jeopardize their health or safety because of the requirement to perform normal work during adverse weather conditions. In fact, statistical information reflects that the proportion of total non-productive time attributed to inclement weather increased in recent years. The continued good judgment of crew leaders and cooperation with supervisory personnel will avoid future misunderstandings about inclement weather.

Very truly yours,

Arthur R. Ehrnschwender



**THE CINCINNATI GAS & ELECTRIC COMPANY**



**ARTHUR R. EHRSCHWENDER**  
SENIOR VICE PRESIDENT

May 17, 1982

**Mr. Thomas Spurlock**  
Staff Representative  
United Steelworkers of America  
3300 Central Parkway  
Cincinnati, Ohio 45226

Dear Mr. Spurlock:

During the 1982 negotiations, the committees for the Company and the Union discussed the possibility of implementing a new bargaining unit job classification. As a result of these discussions, the Company will agree to write a job description for a new job classification of Inspecting Mechanic during the first year of the 1982-1985 Contract. This job classification will be evaluated in the normal manner but the maximum wage rate resulting from such evaluation will not be subject to arbitration.

This new job classification will ultimately be responsible for performing the inspecting duties currently being accomplished by exempt employees. These exempt employees will continue to accomplish the inspecting duties they are now performing. When the Company determines that there is a need for additional or replacement personnel to perform these inspecting duties, the new bargaining unit job classification will be posted and filled through the established bidding procedure.

Employees who will subsequently fill this job classification will not be permitted to demote in accordance with the agreement in my letter dated May 17, 1982. Employees in this job classification will not take part in the Mechanic Operator shift rotation.

It is understood that this proposal will satisfy the Union's request to the mutual benefit of both parties.

Very truly yours,



Arthur R. Ehrschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES  
VICE PRESIDENT  
ADMINISTRATIVE SERVICES

May 24, 1985

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
821 Ezzard Charles Drive  
Cincinnati, Ohio 45203

Dear Mr. Spurlock:

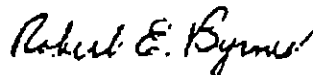
During the 1985 negotiation meetings between the Company and Local Unions 12049 and 14214 the committees discussed Article VIII, Section 13(g) of the Contract concerning the requirement that employees' notify the Company that they will be tardy or absent from work.

As discussed, the Company expects employees who will be late or absent from work to notify the Company before the beginning of a scheduled shift to indicate their contemplated absence from work. This notification by an employee allows supervision an opportunity to make last minute scheduling adjustments with full knowledge about which employees will be absent and which employees have been delayed in reporting to work.

The Company and the Union agreed that it is the employees' responsibility to provide such advance notification about their work intentions. Furthermore, the Union assured the Company that it would encourage its members to so notify the Company of their work intentions. Supervisors will counsel with those employees on an individual basis who continuously report absences after the start of a work schedule to determine the reasons that such notification was not given earlier. Employees who disregard their obligation to report their absences from work prior to the beginning of their work schedule will continue to subject themselves to disciplinary action.

It is thought that this letter adequately describes the concern expressed by the Company during these negotiations and will clarify the understanding of the parties concerning Article VIII, Section 13(g).

Very truly yours,



Robert E. Byrnes

cc: C. Goyette  
L. Byrd, Jr.

A-9

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES  
VICE PRESIDENT  
ADMINISTRATIVE SERVICES

May 24, 1985

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
821 Ezzard Charles Drive  
Cincinnati, Ohio 45203


Dear Mr. Spurlock:

During the 1985 negotiations, the committees of the Company and Local Unions 12049 and 14214 discussed the holiday pay eligibility requirements contained in Article XII, Section 1(c).

As agreed, Mr. S. Smith's arbitration case shall have no force and effect on determining the eligibility requirements for holiday pay for situations similar to the circumstances in that case, such as a leave of absence or military service, where it is positively known that an employee is not available to the Company to perform work on a holiday.

It is thought that this letter adequately states the accord reached between the parties as to holiday pay eligibility.

Very truly yours,



Robert E. Byrnes

cc: C. Goyette  
L. Byrd, Jr.

# CG&E The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Roos  
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

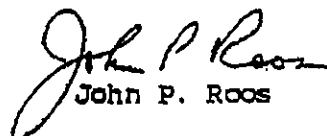
During the 1991 negotiation meetings, the committees of the Company and the Union discussed the work practices of contractors and employees.

The Union voiced a concern that contractors are not in compliance with the safety standards applied to employees, especially while working side by side on the same job. The Company has a continuing concern for the safety and well being of its employees and is constantly monitoring work areas, conditions and procedures. During these negotiation meetings, the Company assured the Union that its supervision will strictly monitor the construction practices of contractors in order to assure compliance with the appropriate safety rules and work habits.

Safety on the job must be a continuous activity, not only for supervision of the Company but for every employee. It is only through cooperation of our employees that we are able to maintain our outstanding safety record. The Company will continue to strive to conduct its operations in a safe and efficient manner.

These assurances by the Company should alleviate the concerns of the Union in this matter.

Very truly yours,

  
John P. Roos

cc: J. Dearth  
R. Zimmer

A-13

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Rees  
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

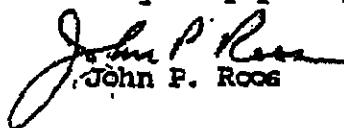
Dear Mr. Spurlock:

During the 1991 negotiation meetings, representatives of the Company and the Union discussed eliminating the need for management to confer with the Union in the event that a health care provider is replaced by other medical coverage.

During these discussions, the Company and the Union shared concern over the astronomical increase in medical costs that occurred in the past three years. As a result of these discussions concerning the elimination of Article VIII, Section 14 (b) of the Contract, the Union assured the Company that it would cooperate and objectively evaluate any health care carriers that the Company suggested as a substitute for existing health care providers.

It is thought that this accord will be mutually beneficial to both parties.

Very truly yours,

  
John P. Rees

cc: J. Dearth  
R. Zimmer

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Roos  
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

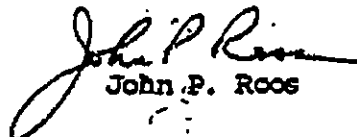
Dear Mr. Spurlock:

During the 1991 negotiation meetings the committees of the Company and the Union discussed the representation of employees by personal attorneys or outside agencies during the grievance and arbitration procedures.

As a result of these discussions, the parties agreed that the Union is the sole bargaining representative for its members and therefore no outside representation will be permitted during such meetings. This in no way restricts the Union's ability to have an attorney represent its own interests during the grievance and arbitration procedures.

It is believed that by proceeding in this manner the concerns expressed during these meetings have been alleviated.

Very truly yours,

  
John P. Roos

cc: J. Dearth  
R. Zimmer

A-15

**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960, Cincinnati, Ohio 45201-0960

John P. Roos  
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurdock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237


Dear Mr. Spurdock:

During the 1991 negotiation meetings, representatives of the Company and the Union discussed holiday pay for employees who are required to work on both of two consecutive holidays.

As a result of these discussions, the parties agreed that when employees work consecutive hours contiguous with the hours worked on the previous day holiday, all hours over eight (8) will be paid at the double time rates. This would only apply for hours worked on the day after Thanksgiving and the Company recognized holiday of Christmas Day.

It is thought that this correspondence adequately describes the accord reached by the parties concerning this subject.

Very truly yours,

  
John P. Roos

cc: J. Dearth  
R. Zimmer

A-16

# CG&E The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 980 Cincinnati, Ohio 45201-0980

John P. Roos  
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1991 negotiations, the committees of the Company and the Union discussed employees taking vacations which include a Company recognized holiday.

In order for the Company to effectively and efficiently direct the work force, it must maintain its right to make the determination as to whether an employee will receive either eight hours additional pay or one additional vacation day when an employee schedules a vacation which includes a holiday. However, during these meetings the Company agreed that employees can make their preference known to supervision as to whether they want to receive either eight hours additional pay or an additional vacation day. The supervisor will give consideration to the employee's request.

By proceeding in this manner it is thought that the Union's concern in this matter will be alleviated.

Very truly yours,

  
John P. Roos

cc: J. Dearth  
R. Zimmer

A-17



**CG&E** The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 Cincinnati, Ohio 45201-0960

John P. Roos  
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

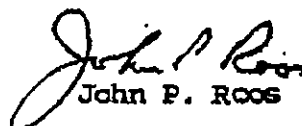
During the 1991 negotiation meetings, representatives of the Company and the Union discussed the scheduling of make-up overtime assignments.

During these meetings, the Union voiced a concern regarding the delayed granting of make-up overtime assignments as a result of heavy periods of regular overtime assignments.

The Company must be the sole judge as to the necessity for overtime work. However, the Company assured the Union that it would make every attempt to schedule make-up overtime assignments which are determined by supervision to be appropriate at the earliest practicable time. Additionally, the Company agreed that employees will be scheduled for make-up overtime assignments within six (6) months from the date granted by supervision.

This commitment by the Company should address the concerns expressed by the Union during these negotiations about make-up overtime.

Very truly yours,

  
John P. Roos

cc: J. Dearth  
R. Zimmer

A-18

**CG&E** ■ The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road, Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees for the Company and the Union discussed the implementation of time limits within the various steps of the grievance procedure.

The Company believes that the objective of the grievance procedure, to mutually and equitably resolve differences that may arise in the administration and interpretation of the Agreement, can be most favorably fulfilled without the imposition of mandatory time limits.

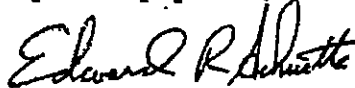
However, as a result of these discussions, the Company did give its assurance that it will strive to respond to all grievances as expeditiously as possible.

It is understood that unavoidable delays by both parties may occur for various legitimate reasons. Any such circumstances must necessarily be accommodated without prejudice to the position of any party to the grievance.

It was also agreed that if, in the future, the Union believes that grievances are not being resolved in a timely manner, the Company would be willing to meet with the Union in order to resolve this issue.

It is anticipated that, with this accord, the interval in processing grievances will be reduced.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk  
R. Zimmer

A-21

**CG&E ■ The Energy Service Company**

The Cincinnati Gas & Electric Company  
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
27162 Reading Road  
Suite 610  
Cincinnati, OH 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the parties discussed the administration of the Family Medical Leave Act (FMLA).

During the discussions, the Company assured the Union that its administration of the FMLA does not reduce the employee benefits provided for by the Contract. Furthermore, the Company assured the Union of its continued commitment to considering the particular circumstances involved with individual employees, who may be experiencing hardship and whose circumstances may warrant leave in addition to the FMLA annual allotment.

It is believed that the above commitment by the Company alleviates the Union's concerns in this matter.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk  
R. Zimmer

# CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 990 • Cincinnati, Ohio 45201-0990

May 13, 1994

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road, Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees for the Company and the Union discussed the revision of the Construction Assistant job description.

As discussed, the job description of the Construction Assistant will be revised so that employees, who are assigned to that job classification, may also be trained to perform other duties commensurate with their skills and abilities, within their medical limitations. However, employees in the Construction Assistant job classifications will not perform work of job classifications at higher wage levels than their previous job.

As stated during these negotiations, at some point in time, as determined by the Company, the number of Construction Assistants may reach a saturation point. As discussed, we are rapidly approaching that saturation point. If such a saturation point is reached, the Company will discontinue placing people in that job classification.

In addition, the Company assured the Union that if problems are detected as a result of the administration of the Construction Assistant job duties, the Company would be willing to meet with the Union to discuss this issue at that time. Furthermore, as stated during these negotiations, and in accordance with the original intent of the parties when the Construction Assistant job classification was established, only employees with 15 or more years of service will be red-circled when demoted to the Construction Assistant job classification. Employees with less than 15 years of service, when demoted to the Construction Assistant job classification, will be placed at the maximum wage rate of that job.

It is believed that this correspondence should alleviate the concerns of the Union in this matter.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk  
R. Zimmer

A-23

# CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 660 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road, Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

As discussed during the 1994 negotiation meetings, there are presently 15 Inspecting Mechanics in Gas Operations. These employees are performing the following functions: locating facilities, preparing permit drawings, inspecting exposed pipelines on bridges, inspecting pipelines and locating and plotting gas facilities as a result of Ohio House Bill 538. These Inspecting Mechanics are located throughout our system, but primarily at Monfort Heights, Dana Avenue and Todhunter Road.

As discussed, during the term of the 1994-1997 Contract, Inspecting Mechanics will be paid fifty-five cents (.55¢) above the maximum wage rate of their job classification.

Inspecting Mechanics will also protect facilities by their presence and direction of contractors working around gas facilities. This Inspecting Mechanic job will not be submitted for re-evaluation since the job description adequately defines the duties required in performing House Bill and system protection work. There will be two (2) Inspecting Mechanics performing House Bill work. They are John Fagaly located at Fairfield and Mose Barrett located at Dana. These two individuals will continue performing this work. Mr. Fagaly will perform work only in the Northern local and Mr. Barrett will perform work anywhere in Local 12049's service territory. At this time we do not anticipate a change of headquarters. The Company will train the remaining Inspecting Mechanics to perform House Bill work. The number of Inspecting Mechanics performing House Bill work may increase or decrease at any time due to work needs. The remaining incumbent Inspecting Mechanics will be assigned to specific geographic areas and duties for the purposes of work assignment. If the House Bill work load decreases, the Inspecting Mechanics performing that work will be assigned to perform any activity within their job description.

The Inspecting Mechanic will locate underground facilities for contractors performing work for the Company. This includes marking gas facilities for contractors installing and replacing gas mains and services.

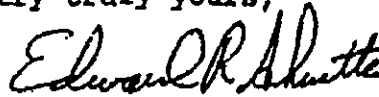
A-25

Inspecting Mechanics will be required to work in any geographical area assigned, i.e., Kentucky, Indiana, Ohio, except across Union Locals. Back-up Inspecting Mechanics will only be used as determined by business needs.

Future openings or replacements in the Inspecting Mechanics job classification when deemed necessary by the Company, will be filled by qualified employees from the Mechanic Operator I job classification, in accordance with the contractual posting procedure, within Local 12049 or within Local 14214. Also, the Company reserves the right to determine the headquarters as to where the replacements or openings will be filled, in Local 12049 or in Local 14214.

It is believed that this correspondence addresses our discussion at the negotiations.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk  
R. Zimmer

# CG&E ■ The Energy Service Company

The Cincinnati Gas & Electric Company  
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees of the Company and Local Unions 12049 and 14214 discussed notification to the bargaining unit of posted job openings, transfers and reassignments.

As was agreed, during the term of the 1994-1997 Contract, the results of posted job openings, transfers and reassignments will be forwarded to the Presidents of the Local Unions as soon as practicable.

By proceeding in this manner it is thought that the Union's concern in this matter will be alleviated.

Very truly yours

  
Edward R. Schuette

cc: S. Newkirk  
R. Zimmer

A-27

**CG&E ■ The Energy Service Company**

The Cincinnati Gas & Electric Company  
P.O. Box 960 • Cincinnati, Ohio 45201-0960

May 13, 1994

Mr. Thomas Spurlock  
Staff Representative  
United Steelworkers of America  
7162 Reading Road  
Suite 610  
Cincinnati, Ohio 45237

Dear Mr. Spurlock:


During the 1994 negotiations, representatives of the Company and the Union discussed the possibilities of a training program for the members of the Union job evaluation committee.

The procedures for establishing, revising, and evaluating job classifications is clearly set forth in Article V, Section 1 of the current Contract. As indicated, the Union may submit written comments regarding the duties of a revised job description to the Company's evaluation committee and may review the evaluation and wage rate of any new or revised classification considered by the Company's committee.

At the negotiation meetings, the Union expressed concern about its understanding of the job evaluation process. To understand the procedures, the Company will agree to provide a training program for members of the Union committee who may be unfamiliar with how the job evaluation system works. In addition, if the chairman of the Union's classification committee periodically requests information concerning which factor points were changed when its committee is scheduled to meet with the Company's committee to review the evaluation of a job, the Company official responsible for the administration of the wage and salary program will provide the designated Union representative with such information.

It is thought that proceeding as outlined in this letter will satisfy the Union's request about training in the job evaluation procedure during the term of the 1994-1997 Contract.

Very truly yours,

  
Edward R. Schuette

cc: S. Newkirk  
R. Zimmer

A-28



June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Eastern Avenue Headquarters

Re: Mechanic III

Dear Gentlemen:

Reference is made to the discussion between the parties pertaining to changes to the Mechanic III job responsibilities, rate of pay and line of promotion.

As agreed, the specially negotiated wage rate for a Mechanic III job classification will be revised. Effective January 1, 2015, any employee moving into that job classification, will be paid at the starting rate of \$18.50 per hour. At intervals of six months, if progress, measured by demonstrated ability and performance, has been satisfactory, the employee will be eligible for a \$0.25 merit increase until reaching the maximum pay rate of \$19.50 per hour.

In addition, all employees entering into a Mechanic III position on or after May 15, 2016, will be employed with the understanding that they must be able to successfully promote to the Meter Specialist II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Mechanic Operator II or Service Mechanic B within the timeframes outlined within the qualifications of the respective job descriptions. At a minimum, failure to qualify for this purpose would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations. Employees will not be permitted to request waiver of their rights to promotion.

The employment of any individual who does not successfully meet the requirements to promote from a Mechanic III position to a Meter Specialist II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Mechanic Operator II or Service Mechanic B, will be terminated.

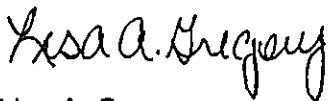
**A-35**

Employees will be promoted on the first day of the pay period following successful completion of the timeframes outlined in the respective job descriptions unless deemed not qualified or sooner, as determined by the Company. If a promotion is delayed due to the Company, the effective date of the promotion will be back dated to the first day of the pay period following successful completion of the timeframes outlined in the respective job description. If a promotion is delayed because an employee is deemed not qualified or has been unable to successfully complete a promotional exam, the effective date of the promotion will be the first day of the pay period following successful promotion.

Based on the foregoing, this letter supersedes any prior letters or agreements among the parties relating to this matter including current sidebar letter A-35 (Mechanic III Pay Rate and Work CG&E Wide).

It is thought that the above adequately describes the parties agreement on this matter.

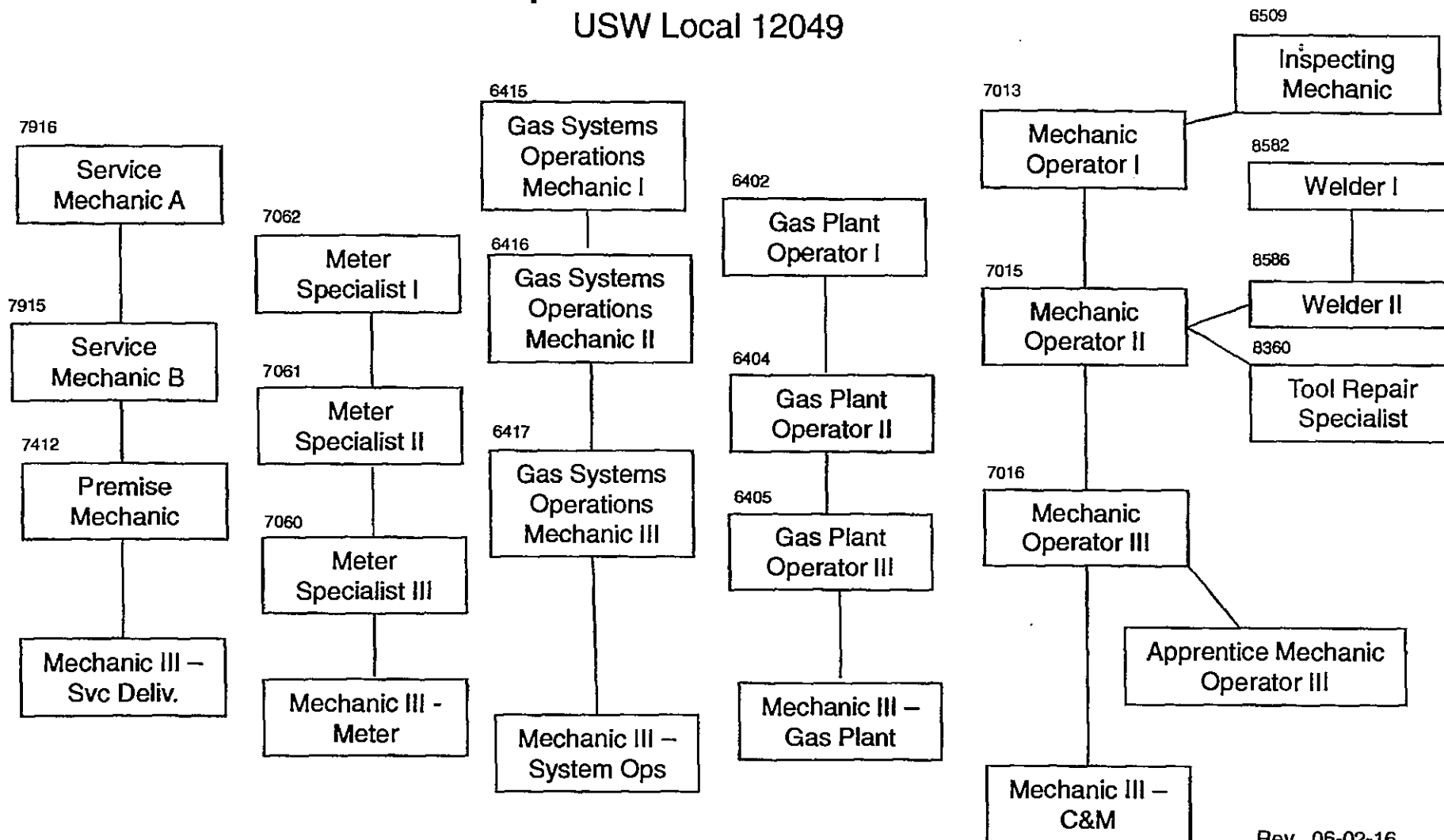
Sincerely,



Lisa A. Gregory  
Human Resources Principal

cc: G. Hebbeler  
C. Lange  
D. Smiley

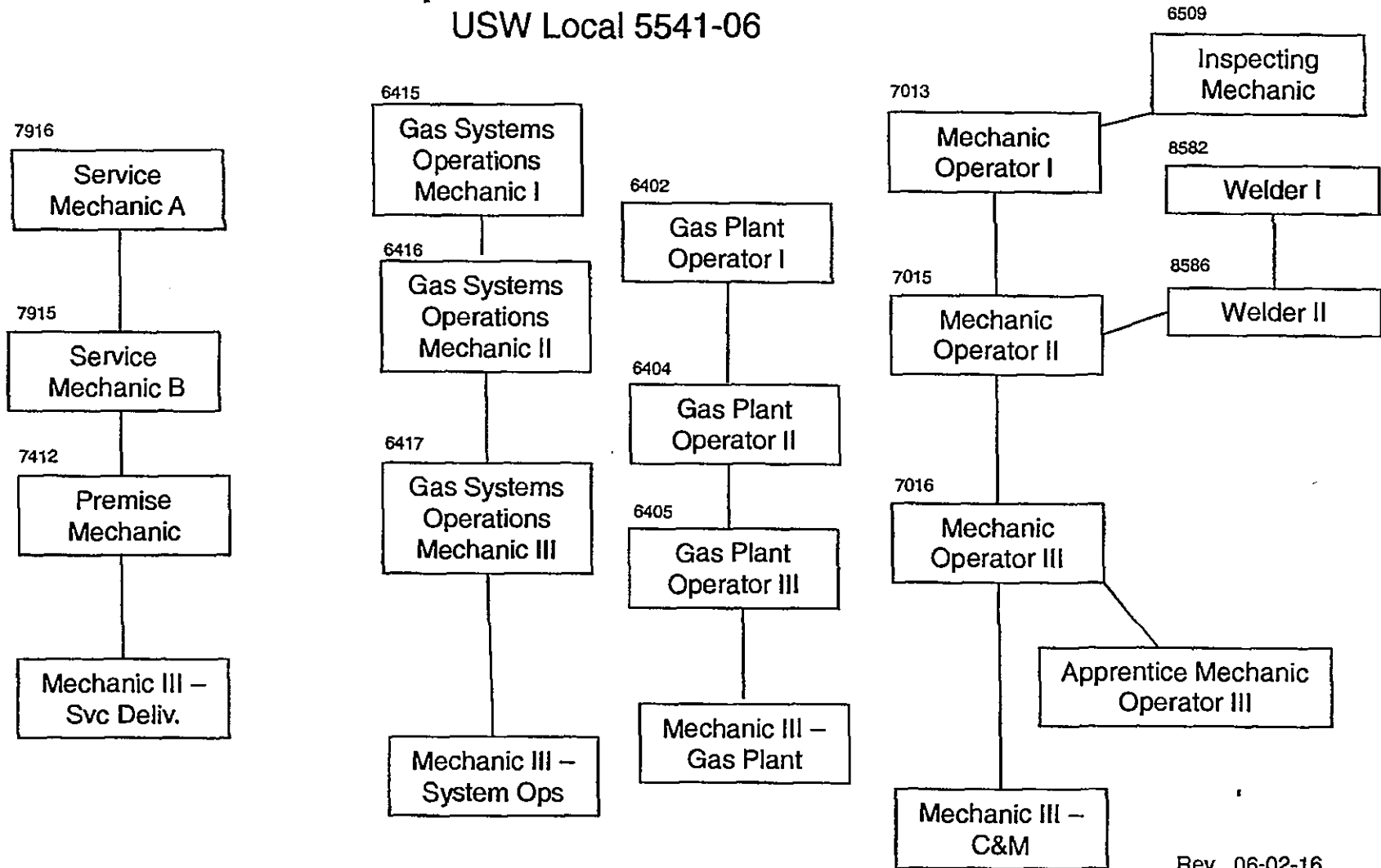
## Gas Operations Promotional Chart USW Local 12049



Horizontal Position Does Not Necessarily Reflect Job Evaluation or Wage Level

Rev. 06-02-16  
 Rev. 06-03-11  
 Rev. 05-14-03  
 Rev. 05-16-94  
 Rev. 04-20-92  
 Rev. 04-06-92  
 Rev. 11-22-82  
 Rev. 05-22-82

## Gas Operations Promotional Chart USW Local 5541-06



Horizontal Position Does  
Not Necessarily Reflect Job  
Evaluation or Wage Level

Rev. 06-02-16  
Rev. 06-03-11  
Rev. 05-14-03  
Rev. 05-16-94  
Rev. 04-20-92  
Rev. 04-06-92  
Rev. 11-22-82  
Rev. 05-22-82



June 3, 2011

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. Mike McAlpin  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

Re: Inspecting Mechanic Agreement - AMRP

Dear Gentlemen:

This letter documents our discussions and agreements related to employees in the Inspecting Mechanic classification and the impacts on work and this job that are expected to occur towards the end of and after the Accelerated Main Replacement Program (AMRP).

In the fall of 2000, the Company met with the leadership of each of the Duke affiliated local unions to discuss the need to significantly increase the number of Inspecting Mechanics to enhance the inspection program for an Accelerated Main Replacement Program. During those discussions, several items were agreed upon to successfully implement and complete the Program. All items to date have been successfully implemented by both parties. This document is to memorialize those items necessary to wind down the Program and implement post AMRP activities.

If it is necessary to "Roll Back" any Inspecting Mechanics, that person will return to a Mechanic Operator I (MOI) position at the district from which they were promoted. Roll Backs will occur by low classified Inspecting Mechanic seniority. If the district headquarters is no longer maintained, the person will be assigned to the district that absorbed the territory of the discontinued district. They are listed as follows:

Little Miami absorbed by Eastworks  
Glendale absorbed by Monfort  
Dana absorbed by Eastworks  
19<sup>th</sup> Street absorbed by Erlanger  
Florence absorbed by Erlanger

As discussed in 2000, during presentations and during discussions with the successful candidates, Inspecting Mechanics will maintain their current accrued seniority if a roll back to the MOI position is necessary. In addition, Inspecting Mechanics would have their pay realigned until the MOI wage rate increased to the point of surpassing the Inspecting Mechanic pay. At that time, the person would receive a wage increase up to the max rate of pay for a MOI.

As part of the original agreements, Inspecting Mechanics were to maintain their CDL license. A valid medical card is required to perform the MOI duties. Employees rolling back under this

Duke Energy  
EMM80 / 139 East Fourth St.  
Cincinnati, OH 45202

513-287-3934

**A-36**

Letter will be given 6 months to obtain their medical card. If employees cannot obtain their medical cards in six months, the Company's Job Adjustment and Workplace Modification Program (JAWM) will be triggered. The JAWM Program is a two-tiered program for the Company to engage in an interactive dialogue with employees who may require job adjustments or workplace modifications due to a physical or mental health issue that impacts an employee's work.

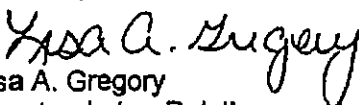
Management will make every effort to project the resource needs for the following year and avoid roll backs in the middle of the year. This will allow a smooth transition for the employee to be placed on the shift schedule. However, there may be those occasions when a roll back may occur in the middle of the year. When this occurs, management will not rework the schedule for the current year. Management will fill a vacancy in the shift schedule with the rolled back employee up to two times in that calendar year but, not two consecutive times. All other vacancies will be filled using the established Schedule Replacement Guidelines. If there is more than one rolled back employee in a district, they will alternate shift coverage until they have exhausted their obligation to work two scheduled vacancies for that calendar year. For rolled back employees who scheduled their vacation in advance, the Company will follow existing guidelines for filling shift vacancies. After the Company schedules a rolled back employee for a shift vacancy, the Company will not grant vacation for the employee's shift during the vacancy the employee is scheduled to work.

If a temporary Inspecting Mechanic is needed in the future, trained and qualified Mechanic Operator I's will be upgraded based on classified Mechanic Operator I seniority. The Company will pay temporarily upgraded "rolled back inspectors" at the top of the Inspecting Mechanic pay grade until the assignment is complete. After the temporary upgrade is over, the employee will return to their pay rate prior to being upgraded. The employee also will be provided with any promotional opportunities they would have received in the MOI position. If a Mechanic Operator I is upgraded and he/she did not previously hold the classification of Inspecting Mechanic, normal temporary upgrade guidelines will apply (Article V, Section 2).

Employees who are scheduled for shift work during a temporary upgrade assignment lasting 30-days or less will not be eligible for the upgrade and the next senior, qualified person will be selected. If the temporary upgrade assignment will last 31-days or more, upon completion of the scheduled shift, the most senior person will replace the more junior person on the upgrade assignment. Employees must pass an inspecting test to be temporarily upgraded to an Inspecting Mechanic role.

It is believed that the procedures outlined in this letter properly describe the agreement reached between the parties concerning this issue.

Very truly yours,

  
Lisa A. Gregory  
Director, Labor Relations

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

October 7, 1996

Mr. Don Turner  
Mr. James Newport  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246

**CINERGY.**

Dear Gentlemen:

During the 1996 discussions concerning work flexibility and employment security, the Company and the Union discussed the continuation of participative management teams.

During these discussions, the parties agreed that together we face a changing regulatory environment, aggressive competitive forces and rising customer expectations.

To meet these challenges and to ensure both the Company and the Union's continued mutual success and security, the parties commit to achieving maximum customer, employee and shareholder productivity and quality of our work and its environment.

In making this commitment, the parties recognize a need for the Company, the Union and all employees to support and strive for a more cooperative atmosphere of increasing openness, trust and mutual respect, where all employees can fully utilize their creativity, talents and initiative in a safe and fulfilling work environment.

The parties agreed during these negotiations to continue the use of the participative team process to further these goals. It is also agreed that the following jointly developed guidelines will continue to be used for the participative team process:

When any team is formed to address an issue, individuals should be told that membership on the team is voluntary. Persons selected should be respected by their co-workers. Before the team begins its work, members must be informed that it is their responsibility to honor the collective bargaining agreements.

**A-40**

When forming a team to address non-contractual issues, team members should be selected objectively based on the issues and subjects to be addressed by the group.

When contractual issues arise after the start of the process, bargaining unit leaders and the Employee Relations and Safety Department must be notified as soon as it is apparent that a contractual issue is involved. Team membership should be reviewed to see if changes need to be made because of the new contractual issue.

The Company and the Union officers will select team members from their respective units to develop recommendations concerning contractual issues. The Employee Relations and Safety Department will be notified when a team is being formed in order to determine its level of involvement. Any recommendations made by the teams that would change or modify the collective bargaining contract will be subject to negotiations between the parties.

These commitments made by both the Company and the Union will enable both parties to be successful in our endeavor to reach our goals in serving our customers, employees and shareholders.

Very truly yours,



Kenneth E. Williams  
Manager  
Employee Relations.

cc: R. Zimmer  
S. Newkirk



Cnergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

October 7, 1996

Mr. Don Turner  
Mr. James Newport  
United Steelworkers of America  
1829 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246

**CINERGY.**

Dear Gentlemen:

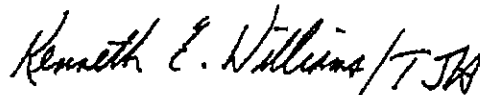
Reference is made to our 1996 discussions concerning employment security and work flexibility. During these discussions the parties discussed the issue of Union Recognition in a changing business environment to meet future competitiveness in our industry.

During the discussions, the Company confirmed its commitment to recognize the Union as the sole and exclusive collective bargaining agent for those employees who are employed in jobs currently under its jurisdiction. The Company also assured the Union of its ongoing commitment to honor any agreements it may enter into with the Union. The parties also discussed the need for new and innovative ways to meet future business needs in order to remain viable within a competitive environment. These new ways of conducting business may not only require significant changes within the current organization, but may also result in the Company's expansion into other business ventures.

During the discussions, the Company gave assurance to the Union that in the event of such future expansions of our business, should the Union attempt to represent or organize employees outside of its current jurisdiction, the Company will not interfere with such legitimate activity and will encourage a policy of neutrality among its supervisory/managerial workforce. However, the Company must maintain its right to respond to employee inquires in an honest and open manner.

Hopefully, as a result of the discussion on this subject, the Union's concerns in this area have been resolved.

Very truly yours,



Kenneth E. Williams  
Manager  
Employee Relations

cc: R. Zimmer  
S. Newkirk

**A-41**



June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

Re: Downbidding to Entry-Level Jobs

Dear Gentlemen:

During the 2016 contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the "Union") discussed the downbidding process and the desire to make starting level job opportunities available in the various divisions of the Gas Operations and Service Delivery areas to qualified employees who desire to change their type of work. This letter replaces the previous letter of agreement titled "Downbidding to Entry-Level Jobs Second Amendment" which was last revised December 23, 2013 and all earlier versions as well as the downbidding process described in the "Disconnect Non-pay, Succession and Special Meter Reads Agreement" letter dated May 14, 2003.

For the duration of the 2016 – 2021 Contract, the Company will permit any employee with eight (8) or more years of service and classified as a Meter Specialist II, Mechanic Operator II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Welder II or any higher job classification in these sequences, to submit their name for consideration through the established bidding procedure when job openings occur within the established rotation sequence in the Service Mechanic "B", Gas Systems Operations Mechanic III, or Gas Plant Operator III job classifications. Additionally, any employee with eight (8) or more years of service and classified as a Service Mechanic "B" or any higher job classification in this sequence, to submit their name for consideration through

**A-51**

the established bidding procedure when job openings occur within the established rotation sequence in the Gas Systems Operations Mechanic III or Gas Plant Operator III job classification.

The Company will consider employee requests for a posted opening in the established rotation sequence, on the basis of the system service within the seniority district. These employees will be required to successfully complete the departmental training program, and all required tests, before they are re-classified as a Service Mechanic "B", Gas Systems Operation Mechanic III or Gas Plant Operator III. Upon implementation of this letter in June, 2011, the Company filled the first posted eligible job from qualified downbid applicants before considering applicants seeking to promote under the existing promotional sequence within the seniority district. After that first posted job, the Company has alternated between the downbid process and the promotional sequence process to fill Service Mechanic "B", Gas Systems Operations Mechanic III or Gas Plant Operator III postings. Effective with postings filled after May 15, 2016, the selected employees will have their classified seniority adjusted such that the downbids on the posting will be the most senior ahead of those promoting.

In addition, the Company agreed to allow employees in Local 12049 with eight (8) or more years of service and classified as a Mechanic Operator II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Welder II, Service Mechanic "B" or any higher job classification in these sequences to downbid to the Meter Specialist III job classification through the downbidding procedure as described in this letter. When eligible employees submit such downbids to the Meter Specialist III classification, the Company will fill the position based on USW system service seniority within the seniority district.

In all situations described in this letter, the following applies:

1. Employees who are accepted for the vacant position shall retain their present salary until they successfully pass the test for the new position. At that time, they will be demoted to the maximum wage rate of the job for which they have been accepted. However, employees who demote in accordance with this agreement with 15 or more years of service will have their wage rates red-circled.
2. If the acceptable candidates fail to qualify for the position, they will return to their original headquarters without loss of seniority.
3. While in training, the employees will retain the salary and job title of their current position.

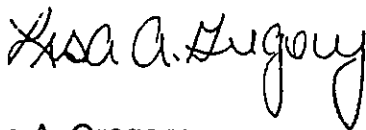
4. The Company will post opportunities for the Service Mechanic B, Tool Repair Specialist, Meter Specialist III, or Gas Systems Operations Mechanic III on the current rotation and will fill the first posting following the date of this Letter with any downbids for Gas Plant Operator III as described above. For the second posting following the date of this Letter, the Company will use the promotional sequence within the Gas Plant Operator III classification, and will alternate between the downbid process and the promotional sequence for future postings per the current process within the other classifications mentioned above. If a posting is not filled by the designated sequence and/or there are no downbids, the turn will be forfeited. This will be tracked by each job classification and each local.

5. Prior to the first downbid opportunity as described above, management will post a one-time opportunity for existing Premise Mechanics to promote to Service Mechanic B. If eligible employees choose not to pursue this promotional opportunity, the one-time opportunity will be forfeited. The Company reserves the right to cancel any postings not filled under this Paragraph. This has been completed but will remain in this letter for historical purposes.

It is acknowledged that the Company must maintain the right to limit the number of such individuals in any job at any one time, in order to make certain that the promotional sequence does not become blocked in any way.

It is anticipated that the procedures outlined in this letter properly describe the accord reached between the parties concerning this issue, for the term of this Contract.

Very truly yours,



Lisa A. Gregory  
Human Resources Principal

cc: Gary Hebbeler  
Chuck Allen

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

January 18, 2002

Mr. Dave McLean  
Mr. Eldon House  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246



Re: Work Hours

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed work hours of bargaining unit employees in both local unions. This correspondence cancels and supersedes correspondence from Messrs. Morgan and Randolph of June 4, 2001 to Messrs. McAlpin and Helsing and the letter of October 7, 1996 from K. Williams to D. Turner on this subject.

Based on discussions for the 2002 – 2007 labor agreement, work schedules will be implemented as follows.

#### **Construction & Maintenance**

Accept as specified below, the Construction & Maintenance Group will use both the 4-day 10-hour schedule and the 5-day 8-hour schedule. On or about May 1 of each year, that work group will commence a 4-day 10-hour schedule. It is believed that working the 4-10's during the prime construction season allows for the most efficient means to carryout that type of work. The shorter workweek and fewer trips to/from jobs will lessen the environmental impact from driving during summer months when environmental issues are at a peak. It will also save on fuel costs during the summer season when the cost for fuel is at a maximum. Additionally, the fact that school will be out will lessen disruptions to setting up job sites prior to 8:00 a.m. Employees, who value the third off day each week, will continue to be able to benefit from that schedule during the summer time season. The 4-10 work hours will remain from 7:00 a.m. until 5:00 p.m. at this time.

On or about November 1 of each year, the Construction & Maintenance Group will be scheduled to work the 5-day 8-hour schedule, with work hours of 7:00 a.m. to 3:00 p.m. For the reduced amount of construction projects during the winter months, the 5-day 8-hour work schedule is more conducive for achieving the maintenance type work that tends to be done during the colder months season. Additionally, the shorter work day during the winter months will allow for employees to arrive at home at an earlier time each day to tend to personal business. Management will continuously monitor and evaluate the effectiveness of the 8-hour schedules

including the start time for work hours and maintains the right to adjust the work hours as deemed necessary to meet business needs.

For business needs, the new gas service inspecting group (spotters) will be an exception to the seasonal schedule. Visual inspecting work must be accomplished on a 5-day 8-hour work schedule in order to meet the daily demands for those jobs, which have to be carried out within two days of a request. The four-day workweek has caused the need to take employees from Construction & Maintenance to assist in performing visual inspecting work on a regular basis, thus impacting the number of employees dedicated to construction and maintenance work on any one day.

#### **Gas Production, Systems Operations and Corrosion Control**

For the same reasons discussed above, and for the need to provide support for the construction & maintenance crews, Gas Systems Operations employees' work schedules will be the same as listed for Construction & Maintenance above and will also change on the referenced seasonal basis. The 5-8's schedule during the winter months allows for better coverage for cold weather related system adjustments and the need to implement the rotating shift during the winter season.

#### **Contractor Construction Management**

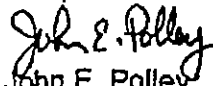
The Inspecting Mechanics will remain assigned to a 5-day 8-hour schedule year round. That work schedule maximizes our ability to provide inspecting services to the contractor work force. The 5-8's will enhance the availability of the inspecting work force at reduced overtime costs and at a minimum disruption to the Construction & Maintenance Group.

#### **Service Delivery, Meter Operations, Gas Measurement Center**

Employees in these work groups will continue to work their current work schedules at this time, as long as business needs are being accomplished.

It is believed that the work schedules as outlined above are a reflection of the consideration given to the Unions' input and employee comments while implementing work schedules that will help improve the organization's overall effectiveness. It must be noted, however, that the Company must maintain its right to make other work schedule adjustments in the future to meet business needs.

Very truly yours,

  
John E. Polley  
General Manager  
Labor Relations, Safety  
And Disability Programs

cc: D. Helsinger  
M. McAlpin

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Voluntary Transfers Between Headquarters

Dear Gentlemen:

This letter documents our discussions and agreements related to employees in the same job classification being permitted to voluntarily transfer between headquarters.

As was agreed, employees will be permitted to submit transfer requests to be assigned to another headquarters. On an annual basis, during the first week of August, a notice will be posted advising those employees who wish to change headquarters to submit a transfer request, in writing, to the Labor Relations Department. All such requests must be submitted on or before August 31<sup>st</sup> of each year. These requests for transfer will be evaluated in the same manner as cross bids for posted job openings. Reassignments between headquarters will be made as soon as determined practical by Management but no later than January 7th. The provisions of Article VI, Section 2 will govern the classified seniority of all employees who are transferred. These reassignments are not subject to the grievance and arbitration procedure. Once a reassignment between headquarters is made, the transferred employee will assume the work assignments, vehicle assignments and holiday and other schedules that were assigned to the employee with whom the trade is made. Both employees must be actively employed at the time of the move in order for the transfer to occur.

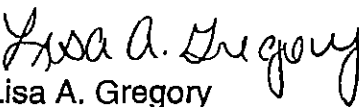
This procedure in no way alters the contractually provided right of the Company to unilaterally effect transfers and reassignments and to effectively conduct its business. Additionally, this procedure does not alter the long established practice of assigning new employees in the starting level job, Mechanic III, to the various headquarters of Gas Operations.

**A-54**

It was also agreed that the provisions of Article VIII, Section 2 will not apply to these transfers. It must be understood that a transferred employee's scheduled vacation may have to be changed, if, during that period, the number of employees leaving on vacation from an individual's new headquarters handicaps the operation of the department.

It is believed that this letter properly describes the agreement reached between the parties concerning this matter.

Sincerely,

  
Lisa A. Gregory  
Human Resources Principal

cc: Chuck Allen  
Terri Barnes  
Gary Hebbeler



Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

January 18, 2002

Mr. Dave McLean  
Mr. Eldon House  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246



Re: Compensation for Non-industrial Medical Appointments

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12048 and 5541-06 (the "Union") discussed the compensation of employees performing limited duty work, while attending necessary medical appointments during working hours for non-industrial illness or injury.

It was agreed that when such appointments cannot be made outside of the normal working hours, employees will be paid sick pay for time away from the job for verifiable appointments. However, such compensation will only be granted after an employee has met the applicable sick pay waiting period for the same condition as necessitates such follow-up appointments.

It was also agreed that employees will make every effort to schedule such appointments during off duty hours. If this is not possible, such appointments should be made either at the beginning or at the end of their shifts. In addition, it was agreed that employees would only be eligible to receive sick pay for time lost to these appointments if they present verification that they attended them.

It is believed that this adequately describes the accord reached above for the 2002 – 2007 Contract regarding sick pay for doctor visits during normal working hours.

Very truly yours,

A handwritten signature in cursive script that reads "John E. Polley".

John E. Polley  
General Manager  
Labor Relations, Safety  
And Disability Programs

cc: D. Helsing  
M. McAlpin

A-55

January 18, 2002

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Mr. Dave McLean  
Mr. Eldon House  
United Steelworkers of America  
1329 E. Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246



Re: Paid Lunch Periods

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the continuation of the paid lunch periods for bargaining unit employees.

The Company and Union agreed that the paid lunch periods would continue at this time. The Company, however, expressed concern about increased costs and loss of productivity that could result from employees not carrying out the "eat on the run" concept as it was intended.

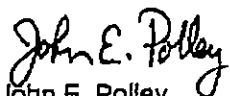
During the discussions, it was agreed that the "eat on the run" concept was the basis upon which the parties agreed to implement the paid lunch periods in 1996. Under that concept, it is expected that employees should have their lunch provisions available prior to leaving the headquarters each working day. When necessary, stopping during the working day to purchase lunch is permissible, but must occur only in transit between job sites and the time spent doing so should be held to a minimum. Lunch is to be consumed at or between job sites during the working day in an approximate 15-minute time period.

As a result of the discussions, the Company committed to re-emphasizing with the work force the above expectations of employees. In turn, the Union agreed it would reinforce with employees the importance of obtaining lunch before leaving the work headquarters in order to maximize productivity during the working day.

The Company agreed to discuss with the Union issues pertaining to the paid lunch periods on a quarterly basis in an attempt to identify and resolve any problems associated with this practice.

It is believed that the above adequately describes the agreement reached during the discussions on the subject of lunch periods.

Very truly yours,

  
John E. Polley  
General Manager  
Labor Relations, Safety  
And Disability Programs

cc: D. Helsingier  
M. McAlpin

**A-57**

January 18, 2002

Cnergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

Mr. Dave McLean  
Mr. Eldon House  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246

**CINERGY.**  
CG&E

Re: Martin Luther King, Jr. Day

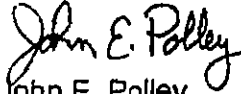
Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the Union's proposal to add Martin Luther King, Jr. Day as a holiday.

As was agreed during these meetings, an additional holiday will not be added. As a result of the discussions at these meetings, however, it was agreed that the Company would give consideration to allowing as many employees as practicable to take their personal day off with pay on Martin Luther King, Jr. Day, during the term of the 2002 – 2007 Contract. All requests for a personal day must be made by employees at least 7 days prior to this date. In the event that more employees request a personal day on that date than the Department can permit off, system service will be utilized in determining which employees at a specific work location will be granted the time off from work. It was further agreed that the number of personnel to be permitted off on that day will be determined by the department so as to insure safe and efficient operations.

By proceeding in this manner it is thought that the concerns of the Union in this area will be met.

Very truly yours,

  
John E. Polley  
General Manager  
Labor Relations, Safety  
And Disability Programs

cc: D. Helsing  
M. McAlpin

**A-58**

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

January 18, 2002

Mr. Dave McLean  
Mr. Eldon House  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246



Re: Call Out Pay


Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the issue of multiple call outs within one four-hour period.

An employee who is called out for an overtime assignment will receive four hours' pay at the appropriate overtime rate. However, the Company clarified with the Union that employees called out more than one time within the same four-hour time period are not entitled to the payment of a second four-hour callout minimum. In those instances employees are paid additional overtime for any overtime worked beyond the initial four-hour period.

In most cases, if employees complete the overtime assignment within the four-hour period the Company will continue to release employees to return home rather than requiring them to remain at the headquarters for the entire four-hour period. However, employees are expected to remain available for the remainder of the four-hour period for additional assignments. If they are called out again during the initial four-hour period, it will be considered a continuation of the initial overtime assignment.

Very truly yours,

  
John E. Polley  
General Manager  
Labor Relations, Safety  
And Disability Programs

cc: D. Helsinger  
M. McAlpin

A-60

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

January 18, 2002

Mr. Dave McLean  
Mr. Eldon House  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246



Re: Promotional Retraining

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the guidelines for promotional retraining of employees within the bargaining unit.

As agreed, an employee who does not pass a promotional examination shall be given the opportunity to meet with a trainer, on his or her own time, for remedial training.

In addition, for the term of the 2002 – 2007 Contract, the Safety and Technical Training area of the Regulated Business Unit will provide a one-time retraining opportunity, upon the employee's request, if a minimum of 12 months has transpired since the first re-test or 15 months from the original test. There must be an available posted opening and a scheduled training class. Travel pay will be provided as specified within the Contract.

Retesting will cover all of the material in the training program. Promotions will then become effective, after successful completion of the test, in accordance with the current posted job opening.

It is believed that this correspondence adequately describes the accord reached by the parties concerning this subject.

Very truly yours,

A handwritten signature in black ink that reads "John E. Polley".

John E. Polley  
General Manager  
Labor Relations, Safety  
And Disability Programs

cc: D. Heisinger  
M. McAlpin

A-61



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean  
Sub District 5 Director  
Mr. Tim Bray  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

RE: Supervisory Upgrades

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the Union's concerns relative to the use of bargaining unit employees to fill in as temporary supervisors during non-core hours.

The Union stated that, under normal conditions on the day shift, certain issues are created when employees from the bargaining unit are put in the position of performing supervisory duties. However, the Union expressed even greater concern over the potential for more serious issues if employees are upgraded and placed in a temporary supervisor role during non-core hours, such as the night shift, when no other management resources are available on the premises.

Based on the Union's concerns, the Company stated its intent to avoid, when possible, using employees in the temporary supervisor role under circumstances where no other management resources are readily available. While management must maintain its right to assign work as needed, when making temporary supervisory assignments in the future, consideration will be given to the scope of duties assigned during non-core hours if other management resources are not available.

Very truly yours,

A handwritten signature in black ink that reads 'Jay B. Alvaro'.

Jay B. Alvaro  
Managing Director  
Labor Relations

cc: M. McAlpin, USW, Local 12049  
T. Caudill, USW, Local 5541-06

**A-62**

**Overtime Guidelines - Field and Systems Operations, Contractor Construction, Corrosion, Gas Production and the Measurement Center, USW's 12049 & 5541-06**

1. When overtime occurs within a job classification, the Company agrees to maintain a system of selecting the employees within the job classification, in a sincere effort to equalize overtime work. The Company will make a documented attempt to contact the available low overtime employee by telephone, as indicated by the overtime list, to offer the overtime work. Each employee is responsible for providing supervision with a single telephone number (land line or cell) for the Company to use when making the calls.
2. Overtime Headquarters:

Monfort Heights	Erlanger	Queensgate
Todhunter	Valley View	
Erlanger Gas Plant	Eastern Avenue	

3. Each Headquarters will maintain a separate overtime list for the assigned personnel. Accumulated overtime shall consist of all overtime, casual, scheduled, call out and waived.
4. Crew Leaders (MOI, GPOI, GSOI and MSOI) and Helpers will be shown on one overtime list. Once a Crew Leader has been acquired, based on low overtime, then management will follow the low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.
5. All overtime listings revert to zero (0) hours during the first pay period of each year, and shall be accumulated on an annual basis.
6. At the first of each year, employees will be placed in the order of their seniority by job classification on one list. Other groups such as Welders, Inspecting Mechanics, etc. will be on separate list.
  - a. The classified seniority standing of MOI's, MOII's, MOIII's, etc. (from highest classification to lowest classification) will be used to place the employees in order of call-out priority, most senior first.

- b. The new overtime list will be posted on Wednesday of the first full week of the year, and each Wednesday thereafter recording the overtime worked or waived the previous week.
7. Employees will not be contacted to work overtime (scheduled or call-out) when they are on one (1) or more weeks' vacation, off due to illness, voluntary, or death in the family. Employees on less than one week vacation and/or personal days will be eligible for call-out on the day(s) they are off at the end of the regular shift. Employees taking a week or more of vacation must notify their immediate supervisor in writing prior to that start of vacation of their desire to work scheduled overtime during the vacation week.
8. When calling out a crew or a single employee, the existing low overtime list shall be used. A sincere effort will be made to follow the overtime list in order, however, in emergency situations, as determined by the Supervisor, only the first five (5) employees will be called before choosing someone. Any employee that supervision makes the documented attempt to reach by phone, or those who are contacted and turn down the overtime assignment, shall be waived the amount of overtime worked by the employee that replaces him or her. If no employee agrees to work the required overtime, the lowest qualified employee on the overtime list will be required to work. If, for some reason, no attempt is made to contact the low overtime person for a particular overtime assignment, that employee shall be provided the appropriate amount of make-up overtime.

Employees who do not wish to be considered for overtime opportunities may submit to their supervisor a written waiver to that effect. Under normal circumstances no effort will be made to call those employees and they shall be waived the appropriate amount of overtime in each instance attempts to contact them would otherwise have occurred. However, such a waiver in no way limits management's right to require the employee to report for overtime when circumstances are deemed necessary by supervision. Nor does the waiver provide the employee the right to refuse to report when required. In addition, management may limit the number of employees who can submit waivers at a headquarters if its business needs are impeded. Except as stated above, employees who submit a waiver will not be called for overtime opportunities for the remainder of the calendar year in which the waiver has been submitted. Employees must submit a new waiver at the beginning of each calendar year to be removed from the overtime call out list.



9. Employees, who are working overtime, may be required to respond to emergency situations in other headquarters. However, in the case where a crew works in excess of four hours of overtime in the other headquarter area, the Company shall provide make-up overtime in the appropriate amount to the employee(s) within that area who was low on the overtime list.

The make-up overtime shall be the amount of time worked in the other headquarter area. The four hour period commences at the time the crew is dispatched to the other headquarter area.

This language applies only to shift work and call-outs and does not apply to casual overtime.

10. Up to four hours per day of casual overtime may be worked by employees represented by USW 12049 working in other headquarters within the 12049 local territory.

In addition, up to four hours per day of casual overtime may be worked by employees represented by USW 12049 and 5541-06 working within the Gas Service area regardless of Union boundaries. Management will use the least senior available employees, represented by USW 5541-06, in USW 12049's local territory, when practical. The arrangement provided for in this paragraph will be reviewed on a semi-annual basis. If any party elects to withdraw for just cause from this four hour casual overtime arrangement, a six-month written notice will be provided, by the party withdrawing, to the remaining parties that have agreed to this arrangement. Six months following written notice, the parties will revert back to the two hour casual overtime agreement, for the term the Contract.

11. If the need to work casual overtime becomes known before the end of the shift, the Supervisor is not required to ask the low overtime person.

Supervisor discretion and consideration of overtime will be used in the assignment.

12. Employees transferred from one headquarters to another, as a permanent assignment, will be assigned at the average overtime for that classification.

Temporary Reassignments: Overtime will be posted and worked at the temporary headquarters (the employee's actual overtime hours should travel with them.)

13. When posting for volunteers for scheduled overtime, all employees shall be charged for overtime waived.
14. Any employee voluntarily transferring from one seniority district to another district will be placed at one (1) hour more than the highest overtime in that classification at the new location. If the employee is forced to the new district, they will be averaged as in #11 above.
15. When scheduled or call-out overtime is needed, management will follow the low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.
16. Newly hired employees will not be eligible for call-outs or the schedule until they have worked for six (6) months after they have been trained, tested and fully qualified. After their release from training, they will be permitted to work their first off day when all other qualified employees have been given an opportunity. They are permitted to work casual overtime during the six month period.
17. If overtime is required to fill a shift vacancy or to add additional personnel the overtime list shall be used.
18. When planned overtime occurs employees will need to comply with current D.O.T requirements for hours of rest between shifts in order to be eligible
19. When scheduled or call-out overtime for welders is required, the following procedure will be used. The Northern local welder overtime list should be used for the northern area. The Kentucky overtime list should be used for Kentucky. The Central overtime list should be used for the central area. Central area will backup the north and south, and vice versa.

**SERVICE DELIVERY  
USW OVERTIME GUIDELINES  
June 2, 2016**

- 1) Gas Operations Work Management Support is the primary resource for maintaining, logging, tracking, obtaining, and reporting Gas Service Delivery Worker overtime. Occasionally, the Gas Operations Field Services Supervisor will request personnel to work overtime. When this occurs, it is the Gas Operations Field Services Supervisor's responsibility to forward the required information; i.e., personnel who will work the overtime, personnel who waived the overtime, etc. to Gas Operations Work Management Support.
- 2) Each Work Area (North, South, and Central) will have a separate, single overtime list containing the names of the Workers in low overtime order (lowest being first on the list), the call-out contact telephone number provided by the employee, and associated prior week and year-to-date accumulated overtime hours. All overtime listings revert to zero (0) hours during the first pay period of each year, and shall be accumulated on an annual basis.
- 3) All overtime worked and waived, with the exception of overtime hours worked by employees normally scheduled to work on holidays, will be accumulated and reported on the overtime list(s) on a weekly basis (Wednesday of each week). Overtime hours worked will be determined from the prior week's time reporting data. Overtime hours waived will be determined from annotations on the previous week's overtime report. Employees who are informed of their need to work an overtime assignment will be charged waived overtime for instances when they are contacted in person (or in person by phone), or by a system generated message (ARCOS) and are allowed to waive the overtime assignment. The number of compensated hours earned by the individual(s) who accepted that overtime assignment will determine the number of hours waived. If one individual is required to work an overtime assignment, the number of hours waived will be equal to the hours worked during that individual assignment. If more than one individual is required to work an overtime assignment, the number of hours waived will be equal to the average number of hours between the highest individual's and lowest individual's number of hours worked during that overtime assignment. (Example: Five employees are required to work an overtime assignment with employee A working 9.0 hours, employee B working 7.0 hours, employees C & D working 4.0 hours and employee E working 2.0 hours; the waived overtime would be calculated:  $9 \text{ hours} + 2 \text{ hours} = 11 \text{ hours} / 2 = 5.5 \text{ hours}$ ). Tenths of a hour will be rolled-up to the nearest 5/10 of an hour. Waived hours will be included in the accumulated overtime hours listed for those employees who waived the particular overtime assignment.
- 4) All overtime, worked and waived, will be accumulated on an hour per hour basis. Hours of compensated overtime plus hours of waived overtime will be combined and will reflect the total overtime hours for each employee on the overtime listing(s).

- 5) When it is determined that additional personnel are needed to work overtime for routine work, employees in the work area (North, South, or Central) where the overtime is needed will be offered the opportunity to work the overtime, beginning with the lowest overtime, qualified, available employee and continuing down the list, in low overtime order, until the required number of employees are obtained. Please note that if the overtime is necessary to fill a shift vacated due to illness or other unplanned absence of an employee, the back filling of that shift will be offered to USW personnel within the work area of the vacated shift. For example, the USW employee who is assigned to cover the City area on 2<sup>nd</sup> shift calls in sick and the Dispatcher determines that the work load is sufficiently heavy enough to warrant filling that vacancy. In this case, the overtime to fill this vacancy must come from within the USW personnel in the Central work area.
- 6) When it is determined that additional personnel are needed to work overtime for gas trouble, only employees in the work area (North, South, or Central) who are qualified to work that type of gas trouble will be offered the opportunity to work the overtime. The overtime will be offered in low overtime order, until the required number of employees is obtained.
- 7) If the Dispatcher or other person contacting employees to work overtime is unable to obtain the required number of employees after going through the entire overtime list for that Work Area (North, South, or Central), employees in the next logical geographic work area will be offered the overtime, in low overtime order, until the required number of employees is obtained, based on the following chart:
  - a) Overtime list in North exhausted; contact employees in Central, then South.
  - b) Overtime list in South exhausted, contact employees in Central, then North.
  - c) Overtime list in Central exhausted; contact employees in South, then North.
- 8) Qualified, available employees may work or be waived overtime seven days per week. A sincere effort will be made, however, to avoid working an employee more than 16 hours on any given day. As agreed with the USW, a sincere effort will also be made to avoid working any USW employee "back-to-back" 16-hour days.
- 9) If it is determined by management that the need exists for all employees at a headquarters to work a day of overtime in a particular week, all employees at that headquarters will be provided the opportunity to work on their first scheduled day off.
- 10) Employees who may be absent from work for extended periods of time will have no adjustment made to their hours on the overtime listing. The only exception to this would be if the employee's absence occurred during the beginning of the year, when the uniform reduction in overtime hours shown for all employees would occur.
- 11) With the implementation of the Mobile Work Management System (MWMS)/Service Suite and Home Based Reporting in each Work Area, additional "start-of-shift" and "end-of-shift" overtime guidelines are necessary. Employees who are contacted prior to the start of, or after their shift has ended, for communication purposes only will be compensated as follows:

- a) If they have not yet left home, or are traveling toward their geo-grid prior to the start of their shift and are contacted momentarily by supervision, but are not required to begin working at that time, overtime pay at the appropriate rate for the amount of time such contact is made will be paid. This amount of time will also be added to the employees "worked overtime" accumulation for that day.
- b) Employees who are on their way home and are contacted after their normal shift has ended for communication purposes only, but are not required to resume working will receive overtime pay at the appropriate rate for the amount of time such contact is made. This amount of time will also be added to the employees "worked overtime" accumulation for that day.
- c) Employees who are contacted by supervision and given a job assignment within fifteen minutes of their scheduled start time will be paid overtime at the appropriate rate for the amount of time preceding their start of shift. Employees contacted by supervision and given a job assignment prior to fifteen minutes before the start of their scheduled shift will be paid overtime at the appropriate call-out rate.
- d) Employees who are contacted by supervision and given a job assignment after they have confirmed their 10-7 with the dispatch office and after the end of their scheduled shift will be paid overtime at the appropriate call-out rate.
- 12) Overtime hours worked for "call-out" overtime for employees who home Base Report will be considered the total hours (minimum of 4 hours) elapsed from the time the employee leaves his or her home until his or her return home from that assignment when those hours are not contiguous with their normally scheduled shift

Company: Jay Alvaro 6/2/16  
 Jay Alvaro  
 Director Labor Relations Date

Union: Steve Bowermaster 6-2-16  
 Steve Bowermaster  
 President, USW Local 5541--06 Date

Union: John Waits 6-2-16  
 John Waits  
 President, USW Local 12049 Date



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean  
Sub District 5 Director  
Mr. Tim Bray  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

RE: Inclement Weather – Service Delivery

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed issues with unusually harsh weather conditions and the need of the Service Delivery Department to meet customer service expectations.

It is understood that the July 5, 1979 negotiations letter pertaining to inclement weather is applicable solely to the working forces in the Construction & Maintenance Division of Gas Operations. However, the Union expressed concern about work assigned to the Service Delivery employees during periods of extremely frigid temperatures. The Union wanted assurance from the Company that employees in Service Delivery would not be assigned work that would require them to endure extended periods of exposure to such weather conditions.

The Union was assured that management of Service Delivery has no intention of requiring employees to remain outdoors in frigid temperatures for prolonged periods to complete work that is not necessary to conform to law or applicable regulations, to protect life, property, or to guarantee service to the customers. However, some of the work performed routinely at customers' residences may require employees to be outdoors for short periods of time. Fortunately, under normal circumstances, employees are able to warm themselves in their vehicles or in the customers' residences as needed to avoid any risk of overexposure.

**A-65**

August 1, 2007  
Page 2

Of concern to the Company is the fact that much of the customer work routinely performed at customers' residences is on the basis of pre-arranged appointments. Customers often make special arrangements themselves in order to be home at the times of those appointments. Therefore, the Company must sometimes make reasonable strides, even under some adverse conditions, to avoid missing or cancelling its promised appointments with little or no notice.

The Company gave assurance to the Union that Service Delivery will continue its efforts to anticipate extreme weather events and to make adjustments as circumstances may allow for minimizing the need for employees to work outdoors for extended periods in extremely cold weather.

Very truly yours,



Jay R. Alvaro  
Managing Director  
Labor Relations

cc: M. McAlpin, USW, Local 12049  
T. Caudill, USW, Local 5541-06

Duke Energy  
EMM80 / 139 East Fourth St.  
Cincinnati, OH 45202

513-287-3934

June 3, 2011

Mr. Ronnie Wardrup  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. Mike McAlpin  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

RE: Union Employees' Annual Incentive Program (UEIP)

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed that the payout for the incentive bonuses for employees will be modified to incorporate goals relative to Safety and the Company's financial results.

Beginning with the goals established by the Company for 2012, the UEIP payout (payable beginning in 2013) will be administered as follows:

Annual Incentive Plan Summary for those who participate in the New Retirement Program:

In conjunction with the New Retirement Program, under the Pension Plan, all participants will be eligible for up to a 5% maximum (1.75% minimum, 3% target, 5% maximum) annual incentive opportunity. Beginning in 2012 through 2013, 20% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 80% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company. Beginning in 2014, 33% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 67% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company.

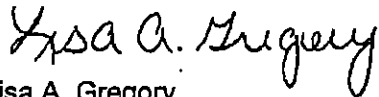
**A-67**



Annual Incentive Plan Summary for those who participate in the Traditional Retirement Program:

Employees who remain in the Traditional Program, under the Pension Plan, which provides benefits under the current final average pay formula, will be eligible for up to a 2% maximum (.75% minimum, 1.25% target, 2% maximum) annual incentive opportunity. Beginning in 2012 through 2013, 20% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 80% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company. Beginning in 2014, 33% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 67% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company.

Very truly yours,



Lisa A. Gregory  
Director, Labor Relations

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Amendment to A-67 Letter Regarding the Union Employee Annual Incentive Program (UEIP)

Dear Gentlemen:

During the 2016 contract negotiations, representatives of the Company and the USW, Locals 12049 and 5541-06 ("Union") discussed eligibility for the Union Employee Annual Incentive Program ("UEIP"). As a result of those discussions, the parties agreed to amend Letter A-67 dated June 3, 2011 as set forth below.

Beginning with the 2017 calendar year performance period under the UEIP, the Company will provide a prorated UEIP payment (calculated as set forth below) to any eligible Union employee who meets the following criteria during a performance period: (i) works for at least six complete calendar months, and (ii) retires (as defined below).

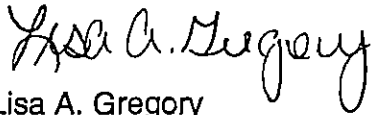
Such prorated UEIP payments shall be paid in the first quarter of the calendar year immediately following the applicable performance period at the same time and on the same basis as other UEIP payments are made to other eligible Union employees, and any such prorated UEIP payment shall be calculated based on the eligible earnings of the retired Union employee during the applicable performance period and actual achievement relative to the pre-established goals set forth in Letter A-67.

For purposes of clarity, in no event will a Union employee who does not meet the criteria set forth in this letter be eligible for a prorated UEIP payment for a performance period if he or she isn't employed on December 31<sup>st</sup> of the performance period. For purposes of this Letter, "retire" means separate from employment with the Company after having attained at least age 55 and 10 years of service (as determined for purposes of access to Company-sponsored retiree medical coverage).

**A-67a**

In other respects, Sidebar Letter A-67 shall continue in full force and effect herein for the duration of the 2016-2021 Agreement, unless changed by mutual agreement of the parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. Gregory". The signature is written in a cursive, flowing style.

Lisa A. Gregory  
Human Resources Principal



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean  
Sub District 5 Director  
Mr. Tim Bray  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

RE: Employees with \$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the \$9,000.00 paid-up post-retirement life insurance benefit that certain employees have available to them.

The Company assured the Union that it would provide the necessary updated contact information for the current carrier and administrator of those benefits to the active employees with those grandfathered policies.

Very truly yours,

A handwritten signature in black ink that reads 'Jay B. Alvaro'.

Jay B. Alvaro  
Managing Director  
Labor Relations

cc: M. McAlpin, USW, Local 12049  
T. Caudill, USW, Local 5541-06

**A-68**



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean  
Sub District 5 Director  
Mr. Tim Bray  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

RE: Sabbatical Vacation Bank and Vacation Credit Programs

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs.

As agreed, these programs shall be phased out in accordance with the attached document, Attachment A, which outlines the specific revisions to the Sabbatical Vacation Bank and Vacation Credit Programs that will remain in effect through December 31, 2011.

The Company and the Union expressly understand and agreed that the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs, as stated in the attached document, shall continue in full force until December 31, 2011, surviving the termination of the 2007 – 2011 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,

A handwritten signature in black ink that reads 'Jay R. Alvaro'.

Jay R. Alvaro  
Managing Director  
Labor Relations

Attachment

cc: M. McAlpin, USW, Local 12049  
T. Caudill, USW, Local 5541-06

**A-69**

**Attachment A**

**REVISIONS TO THE SABBATICAL VACATION BANK AND VACATION  
CREDIT PROGRAMS  
FOR USW 12049 & 5541-06 LEGACY CINERGY EMPLOYEES**

Effective January 1, 2008, the Vacation Bank and Service Credit programs will be phased out over a four year period for employees who are eligible for them as of December 31, 2011. As a reminder, employees are eligible to bank vacation if they are at least 47 years old, and are eligible to receive "vacation credits" if they are at least 51 years old.

**The Changes:**

**Sabbatical Vacation Program:**

- The sabbatical banking program will be eliminated for employees who are younger than 47 years old as of December 31, 2007.
- Employees who are 47 years old or older as of December 31, 2007 will be eligible to continue banking vacation until December 31, 2011, up to the limits described on the chart below.
- Employees who have already banked more than the maximum amount of vacation based on the schedule below (including any vacation credits) cannot bank more after January 1, 2008, but will be grandfathered with the amount they have banked.
- No additional banking will be permitted after January 1, 2012. Therefore, the last opportunity to bank vacation will be in December 2011 because banking is done at the end of the year.
- Banked vacation will be paid out at the final rate of pay at retirement.

**Vacation Credit Program:**

- The vacation credit program will be modified for employees who are younger than 51 years old as of December 31, 2011. For those employees hired prior to January 1, 1997 and who are age 50 or older at the time they leave the Company, they will continue to receive vacation credits up to the amount of vacation time they were eligible for as of January 1, 2006.
- Employees who are at least 51 years old as of December 31, 2011 will continue to receive vacation credits up to the lesser of their annual vacation entitlement or the schedule below.
- Vacation credits will be paid out at the final rate of pay at retirement.

**Service Credit Program:**

- Employees will continue to receive one week of service credit added to their vacation bank in years 32 and 33 of employment in lieu of time off until December 31, 2011. Effective January 1, 2012, employees will be granted a 6<sup>th</sup> week of vacation time off during their 32nd year of employment in lieu of a week of service credit.

**The Schedule:**

Age as of 12/31/2007	Maximum Banked Vacation Weeks (including vacation and service credits)	Maximum Vacation Credits (not to exceed annual vacation eligibility)	Service Credits (granted at 32 and 33 years of service in lieu of time off)
47	10	up to 6	
48	10	up to 6	
49	10	up to 6	
50	12	up to 6	Up to 2
51	14	up to 6	Up to 2
52	16	up to 6	Up to 2
53	16	up to 6	Up to 2
54	18	up to 6	Up to 2
55	20	up to 6	Up to 2
56+	22	up to 6	Up to 2



Duke Energy Corporation  
139 East Fourth St.  
Cincinnati, OH 45202

June 3, 2011

Mr. Ronnie Wardrup  
Staff Representative  
United Steelworkers  
Local Nos. 12049 and 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. Mike McAlpin  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

RE: Sale of Assets

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed employment security for bargaining unit employees. The Company and the Union reached the following agreement:

I. Divestiture Issues

The utility industry is in the midst of major restructuring. It may become necessary or prudent, in the Company's sole judgment, to sell, divest, transfer or swap its gas assets or operations to a third party or to transfer gas assets or operations to a subsidiary, a joint venture, or other business combination. Employees who accept employment with the Buyer will be covered by the collective bargaining agreement with the Buyer. Employees who are offered employment by the Buyer will have their employment at the Company terminated on the transfer date and will have no future rights under the Labor Agreement between the Company and the Union. The Labor Agreement must be interpreted to require no other result.

**A-70**

II. The Company and Union have conducted bargaining regarding potential divestiture, sale or transfer of assets.

A. As a condition of divestiture (e.g., sale, transfer or swap of assets as defined above), the Company will:

1. Require the Buyer to offer equivalent employment to any Union employee whose job is eliminated as a result of the Buyer's acquisition or purchase, including employees absent from active service due to illness or leave of absence, whether paid or unpaid but excluding employees on long-term disability as of the closing date. (However, employees who are on "own occupation" long-term disability and return to work within one year of the transfer of ownership of the asset, will be offered employment by the Buyer.) In the event that not all jobs of employees in a bidding area are eliminated, the Company will initially solicit volunteers, with the most senior employees getting the first opportunity to elect to stay at the Company or fill the vacant positions with the Buyer. If there are insufficient volunteers to fill all vacancies, the Buyer will offer the remaining positions to the least senior employees.
2. Subject to paragraph II B, require the Buyer to recognize the Union as the collective bargaining agent for bargaining unit employees the Buyer employs, and assume provisions identical to provisions of the Labor Agreement applicable to those bargaining unit employees.
3. Subject to paragraph II B, require the Buyer to provide employees with full credit for service with the Company, including retention of seniority under the provisions of the Labor Agreement.
4. Require the Buyer to agree that, prior to the expiration of the Labor Agreement, should Buyer transfer, sell or divest to any other business entity (regardless of relationship to the Buyer) the corporate gas assets or operations formerly owned by the Company, the Buyer will require the third party to assume the conditions set forth in paragraphs II A 1-3.
5. This Agreement satisfies any Company duty to bargain over the decision or effects of a transfer or sale of assets.
6. If any regulatory agency requires the Company to offer severance or other benefits to affected employees, the employees may accept those benefits or the benefits provided under this Agreement, but not both.

B. Employee Benefits

The Company will require the Buyer to provide to affected bargaining unit employees' benefits that are substantially equivalent to the Company's benefits under the Labor Agreement. In doing so, the Buyer may use



different providers and establish new benefit plans or use its existing plans. There will be no duplication of coverage. Subject to items 1 through 5 below, the Buyer must recognize service with the Company for calculating eligibility, vesting, and benefits in any benefit plan, program, or fringe-benefit arrangement, provided it does not result in duplication of benefits. The Buyer can substitute a different benefit package if the Union agrees.

1. With respect to the Cinergy Corp. Union Employees' Retirement Income Plan ("Pension Plan"), the Company will coordinate with the Buyer to enable the Buyer to provide employees no less than the pension benefit they would have received had they remained at the Company. The Company will require the Buyer to agree to credit all past service with the Company (subject to the Company's Pension Plan provisions) for eligibility for participation, vesting, early retirement subsidies, and benefit accrual service, provided it does not result in duplication of benefits. The Company will be responsible for its employees' benefits accrued through the date of closing. After the date of closing, the Buyer will be responsible for benefits accrued during the remainder of the Labor Agreement by its employees. The Buyer's plan may offset the benefit it pays by any benefit paid by the Company's plan.
2. For purposes of medical and dental coverage, the Company will require the Buyer to waive all limitations regarding pre-existing-condition exclusions, actively-at-work exclusions and waiting periods for employees who become employees of the Buyer. Further, for the calendar year in which closing occurs, all expenses incurred by bargaining unit employees that count towards any deductible or out-of-pocket limit under the Company's health plans shall also count towards any deductible or out-of-pocket limit under the Buyer's health plans.
3. The Buyer will be required to give affected bargaining unit employees full credit for all vacation, short-term disability, or FMLA benefits accrued but unused as of the transfer of ownership.
4. With respect to the Duke Energy Retirement Savings Plan for Legacy Cinergy Union Employees (Midwest), the Buyer must establish a 401(k) plan or add bargaining unit employees to its existing 401(k) plan provided that the employees' deferral options and employer match (except that matching contributions will not be made in Duke Energy stock) are no less favorable than those provided under the Company's plan. The Buyer must accept rollovers from other qualified plans. The Buyer may offer investment funds different than those offered under the Company's plan. Consistent with applicable law, employees hired by the Buyer will have the option of leaving their account balance in the Company's 401(k) plan, rolling the amount into the Buyer's plan or an individual retirement account, or cashing in the account balance subject to any tax withholding and penalties.

5. Employees offered employment by any Buyer shall not be eligible for severance pay or any other termination benefits from the Company, unless required by law.

C. **Transfer of Assets**

Bargaining unit employees offered employment by the Buyer will cease to be employees of the Company upon the transfer of ownership of the assets and will have no further bidding, recall or other rights for positions in the Company. Upon transfer of ownership, the Company is relieved of obligations and liabilities under the Labor Agreement or otherwise to all affected bargaining unit employees or employees of the Buyer.

D. **Legal, Administrative or Legislative Proceedings**

The Union will support and it will not oppose or in any way support or encourage opposition to the Company's position before regulatory or administrative agencies, in legislatures or in court, regarding any rate proceedings, plant or gas pipeline siting proceedings, mergers, acquisitions, divestitures or similar transactions announced or begun during the term of the Labor Agreement or the Company's effort to seek approval from any applicable regulatory agency for its recovery of stranded costs or asset swap or sale. In addition, the Union will support agreements (including settlements) between parties involved in the Company's stranded-cost determinations as reasonable and support the Company's position that the stranded costs it has identified are reasonable in amount and fully recoverable from customers. The Company will provide the Union as much timely information as is reasonably practicable about its regulatory and legislative proposals. The agreement set forth in this paragraph is not intended to limit legislative or regulatory actions on matters not reasonably related to the Company's restructuring and stranded-cost proposals.

E. Notwithstanding any provision of this letter to the contrary, the Company will satisfy all of its obligations under Sections II(A)(1)-(5) and II(B)(1)-(4) of this Letter so long as it uses reasonable efforts to require the Buyer to provide the items described therein.

III. **Transition Assistance Plan**

- A. The Company will offer certain benefits to employees who lose employment as a result of a divestiture (e.g., sale, transfer or swap of assets) that results in a loss of employment for employees not located at the asset that was divested. Employees offered employment with the new owner will not be eligible. These benefits are contingent on the employee signing a waiver of all claims and release of liability for the Company and affiliates and will include:

1. Severance Benefit. A lump sum cash benefit for eligible employees equal to two weeks' base pay for each full year of service, with a minimum of eight weeks' and a maximum of one hundred four weeks' pay per eligible employee.
2. Deferred Pension Benefit. If over age 50 and would be eligible for unreduced pension benefits at age 55 (due to 85 points provision), may defer receipt of pension benefits until age 55 and receive unreduced pension benefits.
3. Medical and Dental Benefit. Union employees who voluntarily sever may elect to continue insurance coverage for a period of one month for each year of service up to a maximum of 18 months by paying premiums applicable to active employees. Coverage for medical and dental benefits under the Company's welfare benefits program generally ends on the last day of the month in which employment with the Company ends. Eligible employees generally can continue health coverage (i) if they are eligible for post-retirement health benefits or (ii) for 18 months under the Federal Law "COBRA" by paying 102% of the full premium.
4. Group Outplacement Assistance.
5. Educational Expense Reimbursement. The Company will reimburse eligible employees for up to \$2,600 for educational expenses that they incur within two years of the date they terminate employment with the Company.

#### IV. Resolution of Disputes

##### A. Resolution of Disputes Between the Company and the Union

1. Any and all disputes between the Company and the Union regarding the Company's and the Union's interpretation or application of the terms of this Agreement shall be resolved exclusively through the grievance-arbitration procedures set forth in Articles IX and X of the Labor Agreement.

##### B. Resolution of Disputes Between Buyer and Union

1. Any and all disputes between the Buyer and the Union regarding the Buyer's and the Union's interpretation or application of the terms of this Agreement or regarding any other agreement between the Buyer and the Union, shall be resolved exclusively through whatever dispute resolution process and procedure to which the Buyer and the Union agree, if any.

This Agreement satisfies any obligations to bargain over the decision or effects of utility industry restructuring or divestiture of assets. This Agreement is hereby incorporated into the Labor Agreement and is made a part hereof, Unless otherwise expressly agreed in

writing by the Company and the Union, any extension or termination of the Labor Agreement also shall apply to the terms and provisions of this Agreement.

Very truly yours,



Jay R. Alvaro  
Vice President  
Labor Relations



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean  
Sub District 5 Director  
Mr. Tim Bray  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

RE: Retirement Plan and HRA Conversion Agreement

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the Company's desire to migrate all employees to a common benefits program. The following outlines the agreement between the Company and the Union for providing the employees with options and protections for Retirement Plan participation and post-retirement health care benefit that will remain in effect beyond the 2007 - 2011 Contract.

**Traditional Retirement Program Frozen:**

Participation in the Cinergy Traditional Retirement Program will be frozen as of January 1, 2012 for certain employees. Active employees on January 1, 2012 who are younger than age 50 (as of December 31, 2011) and anyone who is older than 50 but has fewer than 25 years of service (as of December 31, 2011), will automatically begin participating in the New Duke Retirement Program.

**Voluntary Conversion Opportunities:**

Active employees in the Traditional Retirement Program will be offered a voluntary window in 2007 to elect to remain in the Traditional Pension Program or elect the New Retirement Program. In 2011, a second voluntary window will be offered only to those active employees who remain in the Traditional Program and who are age 50 with 25 years or more of service as of December 31, 2011.

**Voluntary Conversion to the New Retirement Program:**

**Part A Benefit (Part A):** The pension plan benefit employees will earn under the Traditional Program will be based on their participation service as of the "day before conversion date" and their final average monthly pay at retirement (not the date of conversion).

AND

**A-71**

August 1, 2007  
Page 2

**Part B Benefit (Part B):** On the "conversion date," employees will start earning an additional pension plan benefit through a new formula that "mirrors" the Duke Energy Retirement Cash Balance Plan.

The Company matching contributions for the 401(k) plan will be enhanced to mirror the Duke Energy 401(k) Plan. As a result, employees will be eligible to receive higher matching contributions on a broader definition of pay. The higher amount is a dollar-for-dollar match on the first 6% of eligible pay (this includes base, overtime and annual incentive pay).

Employees will also begin participating in an annual incentive plan with greater award opportunities (up to 5%).

**With Mandatory Conversion to the New Retirement Program:**

1. Mandatory conversion will be effective January 1, 2012 for employees who are younger than 50 years old and anyone who is older than 50 but has fewer than 25 years of service, as of December 31, 2011. Other terms applicable to the mandatory conversion are as follows:
  - a. The final average monthly pay for retirement will be frozen at the time of conversion (no pay run up).
  - b. Employees will have no choice between annuity and lump sum on Part A; only the current traditional program annuitant options will be available for Part A.
  - c. Can still grow in to the 85 points.
  - d. Employees will receive the enhanced 401(k) and enhanced incentive pay as described above once they mandatorily convert.

**Employees Currently in the Cash Balance Plans:**

Employees who previously selected one of the Cinergy cash balance plans (Balance or Investor) will automatically transition to the New Retirement Program as soon as administratively possible, but no later than January 1, 2008, to include participation in a cash balance pension plan that mirrors the Duke Cash Balance Plan, an enhanced 401(k) plan to mirror the Duke Energy 401(k) Plan and enhanced annual incentive plan, as described below.

**Annual Incentive Plan Summary Changes for those who elect or automatically move to the New Retirement Program:**

In conjunction with the New Retirement Program, all participants who volunteer or upon mandatory conversion to the New Retirement Program will be eligible for up to a 5% maximum (1.25% minimum, 2.5% target, 5% maximum) annual incentive pay based solely on the Company's financial results (i.e., earnings per share, net income, etc.).

August 1, 2007  
Page 3

Annual Incentive Plan Summary Changes for those who do not elect the New Retirement Program:

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will continue their eligibility for the current Cinergy 401(k) Plan formula and will begin participating in an annual incentive plan, with a maximum award of 2% (.5% minimum, 1% target, 2% maximum) based solely on the Company's financial results (i.e., earnings per share, net income, etc.).

Post-Retirement Health Care Subsidy Discontinued:

In 2007, the Company will offer employees enrolled in the Post-Retirement Health Care subsidy program a voluntary window to either stay in the current Post-Retirement subsidy program or to convert to the Post-Retirement Health Reimbursement Account (HRA) at \$1,000/Year of Service. In 2011, any employee who is age 50 with 20 years or more of service as of December 31, 2011 will be offered another voluntary choice to convert to the HRA. Effective January 1, 2012, any employees remaining in the subsidy program younger than 50 years old or age 50 with less than 20 years of service, as of December 31, 2011, will be automatically converted to the Post-Retirement HRA.

The Retirement and HRA Conversion Agreement Survives the 2007-2011 Contract:

The Company and the Union expressly understand and agreed that the Retirement Program and HRA conversion agreement shall continue in full force through January 1, 2012, surviving the termination of the 2007 - 2011 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,



Jay R. Alvaro  
Managing Director  
Labor Relations

cc: M. McAlpin, USW, Local 12049  
T. Caudill, USW, Local 5541-06



June 3, 2011

Duke Energy  
EMM80 / 139 East Fourth St.  
Cincinnati, OH 45202

513-287-3934

Mr. Ronnie Wardrup  
Staff Representative  
United Steelworkers  
Local Nos. 12049 and 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. Mike McAlpin  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

Re: Amendment to August 1, 2007 Sidebar Letter A-71

Dear Gentlemen:

During the 2011 contract negotiations, the Company and the Union discussed post-retirement health care. As a result of those discussions, the parties agreed to amend the Sidebar Letter A-71 dated August 1, 2007 entitled, "Retirement Plan and HRA Conversion Agreement."

Specifically, in consideration of the Union's agreement to modify Article VIII, Section 14(d) of the Contract to eliminate the post-retirement HRA Option for employees hired on or after January 1, 2012, the Company has agreed to amend the section titled "Post-Retirement Health Care Subsidy Discontinued" on page three of the August 1, 2007 letter effective as of the date of this letter, such that:

- (i) Employees hired prior to January 1, 2006 will be offered a voluntary choice in 2011 to convert to an HRA if they are not already in the HRA Program, regardless of the employees' age or years of service (i.e., the provision requiring that an employee has attained age 50 with at least 20 years of service as of December 31, 2011 in order to participate in the second voluntary window has been deleted); and
- (ii) Employees who choose to remain in the Traditional Program will not be forced into the HRA Program by the Company during the term of this Contract (i.e., the provision requiring that employees remaining in the subsidy program who have not

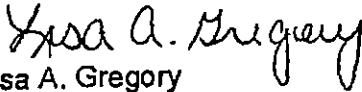
**A-71a**



attained age 50 with at least 20 years of service as of December 31, 2011 will be automatically converted to the Post-Retirement HRA has been deleted).

Except as provided above, the August 1, 2007 Sidebar Letter A-71 shall remain in full force and effect through the 2011-2016 Contract, and continue in force in any succeeding contracts unless changed by mutual agreement of the parties.

Very truly yours,



Lisa A. Gregory  
Director Labor Relations



DUKE ENERGY CORPORATION  
139 East Fourth St.  
PO Box 960  
Cincinnati, OH 45201-0960

August 1, 2007

Mr. Dave McLean  
Sub District 5 Director  
Mr. Tim Bray  
Staff Representative  
United Steelworkers  
Local Nos. 12049 & 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

RE: Discontinue Automatic Progression


Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the discontinuation of the automatic progression agreement for employees in the Meter Specialist, Mechanic Operator, Gas Systems Operations, Service Mechanic and Gas Plant Operator job progressions.

As agreed, all employees in a job classification within the Meter Specialist, Mechanic Operator, Gas Systems Operations, Service Mechanic or Gas Plant Operator job progression on May 14, 2007 shall be grandfathered for the automatic progression promotional agreement for the job classifications of Service Mechanic A, Meter Specialist I, Mechanic Operator I, Gas Systems Operations Mechanic I and Gas Plant Operator I within those direct promotional sequences in the future. In addition, employees in the job classifications of DNP Worker or Mechanic III and are members of the bargaining unit on May 14, 2007 shall also be grandfathered for the automatic progression, but only to the Service Mechanic B, Meter Specialist II, Mechanic Operator II, Gas Systems Operations Mechanic II and Gas Plant Operator II job classifications in each of the above referenced direct promotional job sequences.

Employees who are newly hired into the bargaining unit on or after May 15, 2007, shall not be eligible for the automatic progression.

Very truly yours,

  
Jay R. Alvaro  
Managing Director  
Labor Relations

cc: M. McAlpin, USW, Local 12049  
T. Caudill, USW, Local 5541-06

**A-72**

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

April 4, 2005



Mr. Dave McLean  
United Steelworkers of America  
1329 East Kemper Road  
Building 400, Suite 4214  
Cincinnati, Ohio 45246

Re: Benefit Claims Disputes


Dear Mr. McLean:

During the benefits opener discussions for 2005, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the process for employees to resolve disputes over claims or application of welfare and pension plan benefits.

With respect to any claim or dispute involving the application or interpretation of any employee welfare or pension plan, initially the employee and the Union will make a good faith effort to resolve those disputes in accordance with the terms and procedures set forth in the relevant plan document. Additionally, it is understood that, should the content of any communication relating to employee benefits conflict with the terms of the relevant plan document, the terms of the plan document shall govern. The plan documents will be modified to reflect changes agreed to during collective bargaining.

Disputes over any of the benefits provided in the Voluntary Benefits Program will not be subject to the grievance procedure.

Sincerely,

  
John E. Polley  
General Manager  
Labor Relations

Cc: M. McAlpin  
T. Caudill

A-73



June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

RE: Clothing Allowance

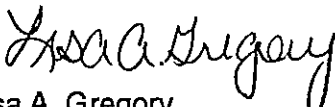
Dear Gentlemen:

During the 2016-2021 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the clothing allowance for eligible employees in Gas Operations – Field & Systems Operation and Customer Operation organizations.

The Company agreed that for calendar years 2016, 2017 and 2018 eligible employees will continue to receive the annual clothing allowance of \$275.00. Effective January 1, 2019 and for the remainder of the 2016-2021 Contract, eligible employees will be eligible to receive an annual clothing allowance of \$300.00.

It is the Company's expectation that this clothing allowance will provide employees with Duke Energy identified clothing to be worn daily on the job. Employees must continue to be in compliance with established appearance guidelines and dress policies.

Very truly yours,

  
Lisa A. Gregory  
Human Resources Principal

A-75

Cinergy Corp.  
139 East Fourth Street  
P.O. Box 960  
Cincinnati, OH 45201-0960

April 4, 2005

Mr. Mike McAipin  
President  
Local Union 12049  
United Steelworkers of America  
Monfort Heights Headquarters

**CINERGY.**  
CG&E

Mr. Tim Caudill  
President  
Local Union 5541-06  
United Steelworkers of America  
Todhunter Headquarters

Re: Post-Retirement Medical Benefits

Dear Mr. Gentlemen:

During the benefits opener discussion in 2005, representatives of the Company and the United Steelworkers of America and the Locals 12049 and 5541-06 ("the Union") discussed post-retirement healthcare benefits, including providing the Union members a post-retirement health reimbursement account ("HRA") option (the "HRA Option"). As a result of these discussions the parties agreed to the post-retirement Healthcare benefits set forth below.

**I. OVERVIEW OF HRA OPTION**

All current, full-time employees represented by USWA, Local 12049 and Local 5541-06 will be able to make a one-time choice during one of two windows between continuing in the current traditional post-retirement medical option (the "Traditional Option") or electing to participate in the new HRA Option described below. Employees will be required to make this election by a specified election date in 2005 or 2006. (Notwithstanding the foregoing, employees currently receiving long-term disability benefits or on a military leave of absence, will make this election when they return to active, full-time status. If they do not return to active, full-time status, they will default to the Traditional Option.) All employees hired or rehired on or after January 1, 2006 will participate in the HRA Option. Each employee who elects to participate in the HRA Option, and each employee hired on or after January 1, 2006, will be referred to as a "HRA Participant" herein.

Under the Traditional Option, eligible retirees (those who retire after attaining age 50 with five (5) years of Service, as defined in the applicable Pension Plan) are provided access to group medical coverage and a premium subsidy that varies based upon the retirees' service and classification (see detail regarding the subsidy levels attached hereto as Attachment A).

**A-76**

Subject to any collective bargaining obligation, the Company reserves the right to amend, modify or terminate the Traditional Option and/or the HRA Option at any time. However, amounts already credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

The benefit under the HRA Option is based on a bookkeeping account that can grow like a savings account with service and interest credits as described below. An employee who elects the HRA Option will start with an opening balance that is equal to 1/12th of \$1,000 for each prior calendar month in which the HRA Participant worked at least one day for the Company. In the future, the Company will credit eligible HRA Participants with an additional 1/12th of \$1,000 for each calendar month in which the HRA Participant works at least one day for the Company. The Company will also credit each eligible HRA Participant's bookkeeping account with an annual interest credit. Interest will be credited at the same interest rate as the cash balance updates as determined in August of each year, except that for the term of the current labor agreement, the interest rate will not be less than 3.5%; for 2005, the rate is 5.06%. Except as discussed below, only HRA Participants who are active, full-time employees and work at least one day in the month are eligible for the monthly service credit. Like retirees in the Traditional Option, HRA Participants will have access to group medical coverage only if they retire after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), however, there will be no subsidy. Please note the following regarding the HRA Option:

- a. If a HRA Participant retires after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), the amounts credited to the HRAs generally can be used for the qualified medical expenses, as defined in Section 213(d) of the Internal Revenue Code, of the retiree and the retiree's spouse and eligible dependents. See IRS publication 502 (Attachment B) for examples of qualified medical expenses. To the extent permitted by applicable law and as is otherwise practicable, the HRA option is intended to provide a tax-free benefit. Due to future law changes, however, there can be no assurance of favorable tax treatment.
- b. Except as provided below, if the employment of a HRA Participant terminates prior to attaining age 50 with five (5) years of Service (as defined under the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- c. If a HRA Participant dies while actively employed prior to attaining age 50 with five (5) years of service (as defined in the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- d. If a HRA Participant dies while actively employed after attaining age 50 with five (5) years of Service, his/her spouse and eligible dependents will be entitled to use amounts credited to the HRA to pay qualified medical expenses immediately.

- e. In the event of disability or leave, the Company will continue monthly service credits for the first 12 months. The Company will continue interest credits while the HRA Participant is disabled or on leave (and prior to recovery or retirement). For HRA Participants on a military leave, service credits and interest credits will continue for the full qualified leave period.
- f. If the employment of a HRA Participant is involuntarily terminated in connection with an involuntary reduction in force and such termination is in no way related to performance deficiencies, the HRA Participant will be eligible to maintain his/her HRA balance as of termination. The HRA Participant will be able to use amounts held in his/her HRA Account immediately following the termination.
- g. For the term of the current Collective Bargaining Agreement, the Company will agree not to amend, modify or terminate retiree health care benefits for any active employees covered by the CBA. Amounts credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

## II. QUESTIONS

Set forth below are responses to some of the questions regarding the HRA Option raised in previous meetings.

1. **Will the Company offer choice to all USWA employees?**

A: Yes. The Company will allow all current, full-time employees to elect to stay in the Traditional Option or switch to the HRA Option. After January 1, 2006, new hires and rehires will automatically participate in the HRA Option.

2. **Will an employee be able to elect the HRA Option upon retirement?**

A: No. Employees will be able to make a one-time election in 2005 or 2006. Current employees will have one affirmative choice during one of two open windows, the first in 2005 with the choice to be effective 1/1/06 or one in 2006 to be effective 1/1/07.

3. **Can a HRA Participant withdraw amounts credited to his/her HRA account in cash upon retirement? Can the Company pay the amount out in a lump sum?**

A: Money may be withdrawn from the HRA account only for paying qualified medical expenses. The account will not be paid out in cash. Favorable tax treatment is available for a HRA only if the HRA reimburses medical expenses as defined in Section 213(d) of the Internal Revenue Code. As stated below from IRS Notice 2002-45, any right to receive cash will disqualify the HRA from receiving favorable tax treatment.

"An HRA does not qualify for the exclusion under § 105(b) if any person has the right to receive cash or any other taxable or non-taxable benefit under the arrangement other than the reimbursement of medical care expenses. If any person has such a right under an arrangement currently or for any future year, all distributions to all persons made from the arrangement in the current tax year are included in gross income, even amounts paid to reimburse medical care expenses. For example, if an arrangement pays a death benefit without regard to medical care expenses, no amounts paid under the arrangement to any person are reimbursements for medical care expenses excluded under § 105(b)... Arrangements formally outside the HRA that provide for the adjustment of an employee's compensation or an employee's receipt of any other benefit will be considered in determining whether the arrangement is an HRA and whether the benefits are eligible for the exclusions under §§ 106 and 105(b). If, for example, in the year an employee retires, the employee receives a bonus and the amount of the bonus is related to that employee's maximum reimbursement amount remaining in an HRA at the time of retirement, no amounts paid under the arrangement are reimbursements for medical care expenses for purposes of § 105(b)..."

4. **What happens to the HRA balance upon disability or extended leave from the Company?**  
A: See Section I(e).
5. **What happens to the HRA balance in the event of a termination of employment?**  
A: See Section I.
6. **What happens to the HRA balance if I die while actively employed?**  
A: See Sections I(c) and I(d). Currently, the spouse and eligible dependents of an employee who dies while actively employed with Cinergy can elect to become covered under the non-union medical plan and receive subsidized coverage at the active employee rate until death or a disqualifying event (for the spouse, this would include, but not be limited to, remarrying or becoming Medicare eligible; for an eligible dependent, it would include, but not be limited to, ceasing to qualify as an eligible dependent due to age).
7. **Will the Company contributions be indexed in future years (e.g., indexed to the trend line for health care costs)?**



**A:** No. At this time, we do not plan to align our service credit or interest credit to any index. However, the Company will continue to evaluate its crediting levels. Subject to any collective bargaining obligations, the Company reserves the right to make adjustments, including increasing, decreasing or discontinuing credits unilaterally.

**8. Will the opening HRA balances be calculated with retroactive interest crediting?**

**A:** No. Making retroactive interest credits would be cost prohibitive from the Company's perspective.

**9. What are other companies doing with regards to post-retirement healthcare?**

**A:** See Hewitt survey (Attachment C) (51% of survey respondents have a unionized workforce).

**10. How can HRA Participants use amounts credited to the HRA?**

**A:** Money credited to a HRA can be used to reimburse the HRA Participant for medical expenses as defined in Section 213(d) of the Internal Revenue Code. See IRS publication 502 for examples of qualified medical expenses.

**11. Who will administer the HRA account balances?**

**A:** Hewitt Associates will track the HRA credits while HRA Participants are actively employed. The Company is reviewing proposals from third party administrators for post-retirement administration, but this will likely be Hewitt Associates.

**12. Will the HRAs be protected/guaranteed?**

**A:** The benefit under the HRA option is based on a bookkeeping account and is not funded like a 401(k) plan. See Section I regarding the Company's ability to amend.

**13. If the Company decides to eliminate the Traditional Option at a later date, would employees be allowed to get in the HRA?**

**A:** The Company periodically evaluates its benefit programs and would determine the appropriate course of action at that time.

**14. Would interest on the HRA account continue to accrue after an employee retires?**

**A:** See Section I.

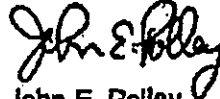
Page 6.

15. If two Cinergy employees are married, can they make different elections with respect to the HRA Option?

A: Yes, one could elect to remain in the Traditional Option, and the other could elect the HRA Option; if they remain married during retirement and so elect, they would receive subsidized coverage under the Traditional Option and have access to amounts credited to the HRA on behalf of the other spouse. Regardless, the elections are independent of each other.

Please note that the explanation set forth above merely summarizes the basic elements of the HRA Option. The Company has fully documented the Health Reimbursement Account Program in the "Cinergy Corp. Post-Retirement Health Reimbursement Account Program" which governs the terms of the Plan as adopted by the Company.

Very truly yours,



John E. Polley  
General Manager  
Labor Relations

cc: T. Verhagen  
P. Gibson  
K. Feld  
C. Riggs

**Attachment A**  
**Summary of Post-Retirement Health Care Options**

**Current Post-Retirement Health Care Option**

Employees hired before January 1, 2006, who elect the subsidy option and who retire from the company on or after age 50 with at least five years of service, may be entitled to a post-retirement health care subsidy from the company dependent on their years of service at retirement.

**Subsidy Schedule:**

<b>Service at Retirement</b>	<b>(Pre-65 only)</b>
30+	50%
29	45%
28	40%
27	35%
26	30%
25	25%
24	20%
23	15%
22	10%
21	5%
20	0%
19	0%
18	0%
17	0%
16	0%
15	0%
14	0%
13	0%
12	0%
11	0%
10	0%
9	0%
8	0%
7	0%
6	0%
5	0%



June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

RE: Special Union Wide Lump Sum Opportunity

Dear Gentlemen:

During the 2016 contract negotiations, the parties discussed a special union wide lump sum opportunity for the Union's participation in the Accelerated Service Replacement Program (ASRP). It was agreed that employees will be eligible for a 0.5% lump sum bonus based on achieving the ASRP completion targets established each year by the Company for 2017, 2018, 2019, 2020 and 2021, with the payout to be issued in the following calendar year.

The opportunity for this payout begins in 2018 for 2017 calendar year performance, continues in 2018, 2019, 2020 and concludes in 2022 for 2021 calendar year performance. The Company will determine any appropriate payout for each year. The payout amount will be calculated based on all straight time and overtime earnings for the applicable year, and will be paid as a lump sum, less applicable taxes.

In the event the ASRP does not receive utility commission approval or the Program is completed prior to 2021, the Company will continue to provide the special union wide lump sum opportunity for the remainder of the existing labor agreement, provided the Union participates in all Company sponsored programs.

Sincerely,

Lisa A. Gregory  
Human Resources Principal

A-77



Duke Energy Corporation  
139 East Fourth St.  
Cincinnati, OH 45202

June 3, 2011

Mr. Ronnie Wardrup  
Staff Representative  
United Steelworkers  
Local Nos. 12049 and 5541-06  
13 Triangle Park Drive  
Building 13, Suite 1301  
Cincinnati, Ohio 45246

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. Mike McAlpin  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

Re: Health Care Security

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the issue of health care security for bargaining unit employees.

As a result of those discussions, the Company understands the Union's concerns over health care uncertainty, particularly given recent health care reform legislation and the potential impact of the Company's planned merger with Progress Energy. In turn, it is hoped that the Union recognizes the high value that the Company places on safety, wellness, and the overall well-being of all employees. We are making investments in educating and engaging our employees in improving and managing their health. The Union should be assured that providing quality health care coverage options for all employees aligns with our health and wellness strategy and promotes safety in the workplace. In addition to its value to safety and wellness, health care coverage also adds great value to our recruitment and retention of high quality employees.

Assuming the merger is completed with Progress Energy later this year, the combined company is expected to have more than 25,000 employees across the country. As a Fortune 500 company and the soon-to-be largest investor-owned utility in the United States,

**A-78**

the Company takes its responsibilities to its employees and their families very seriously. Given the level of importance of health care to the Company's priorities and brand, the Company intends to ensure that employees have access to comprehensive healthcare coverage options now and in the future.

The Company also plans to continue its annual review of health care options to determine if any revisions are appropriate given our demographics, legislative and regulatory developments, and any changes in the marketplace. Any material changes determined by the Company will be planned to take effect on January 1 of a calendar year. The Company recognizes that it would be administratively burdensome to increase the frequency of such reviews, and the Company has no current plans to make material changes to health care coverage options or benefit levels that are effective other than on January 1 of a calendar year.

It is unlikely that the Company would feel compelled to completely discontinue offering company-sponsored health care coverage options under the current laws. Because the impact of the planned government-sponsored health care exchanges and other possible legal developments are unknown at this time, in the unlikely event that the Company's current intent changes regarding the discontinuation of all company-sponsored health care coverage, the Company will notify the Union in advance and bargain over the complete elimination of company-sponsored health care coverage, even though the company-sponsored coverage likely would be replaced by government-sponsored coverage or USW-sponsored coverage. In that event, if the Union believes that the USW-sponsored plans are more competitive or would offer greater benefits desired by the membership, the Company would be willing to negotiate with the Union over a potential move for USW members to the USW-sponsored plans. The Company also will notify the Union in advance in the unlikely event that the Company changes its current intent to make material changes to health care coverage options effective on a date other than January 1 of a calendar year so that the parties can discuss the issue and any concerns. Again, the Company views health care coverage as vital to the success of its business due to its impact on safety, wellness, recruitment, retention, our image and reputation, and the overall well-being of our employees and their families.

The Company understands the Union's concerns with respect to health care coverage for its members. This letter shall apply for the duration of the 2011- 2016 collective bargaining agreement between the Company and the Union. It is the intent of this letter to demonstrate the Company's willingness to consider and discuss those concerns.

Very truly yours,



Jay R. Alvaro  
Vice President, Labor Relations

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. Mike McAlpin  
President  
Local 12049  
United Steelworkers  
Monfort Heights Headquarters

Re: Gas Operations Promotional Sequences and New Position

Dear Gentlemen:

During the 2011 – 2016 Contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the Union) discussed revisions to progression sequences with Gas Operations, and the creation of a new entry level job classification. As a result of these discussions, the revised "Gas Operations Promotional Chart" ("Chart") is attached.

Under the new Chart, the Mechanic III entry level position will have direct bidding rights to three different lines of progression: Meter Specialist III (Local 12049 only), Gas Systems Operations Mechanic III, and/or Gas Plant Operator III. Mechanic IIIs may apply for other positions in the Company, but shall not have direct bidding rights to any position other than as set forth in this Letter.

Similarly, DNP Workers will have direct bidding rights to the Premise Mechanic progression or the Meter Specialist III progression (Local 12049 only). In the event that the Company is unable to fill Premise Mechanic or Meter Specialist III positions with DNP Workers, the Company reserves the right to fill those positions as entry level positions. DNP Workers may bid on other positions in the Company, but will not have direct bidding rights to any other position other than as set forth in this Letter.

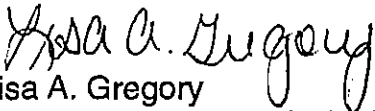
For the Mechanic Operator III progression, the Company will create a new entry level position for "Apprentice Mechanic Operator III (AMO3)". The Company and the Union

**A-80**

will negotiate a special wage rate for the newly created AMO3 position. In the event agreement cannot be reached, the AMO3 will be evaluated pursuant to Article V, Section 1, (h)-(m) of the Contract. The newly created AMO3 position will have direct bidding rights to the Mechanic Operator III progression exclusively.

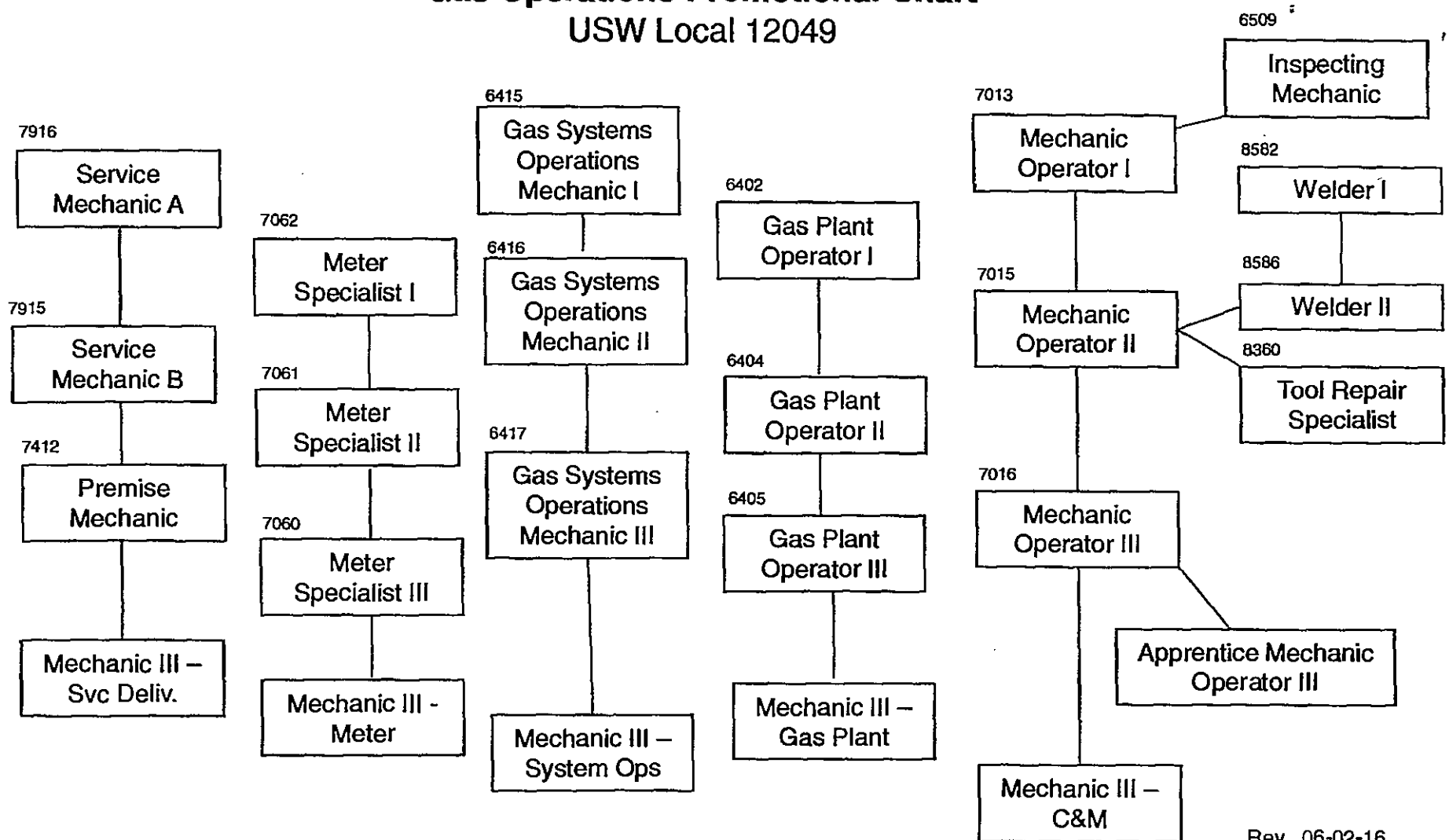
The parties recognize and acknowledge that the former positions for Mechanic (6931) and Senior Mechanic (7890) are no longer in use and therefore eliminated from the Chart.

Very truly yours,

  
Lisa A. Gregory  
Human Resources Principal



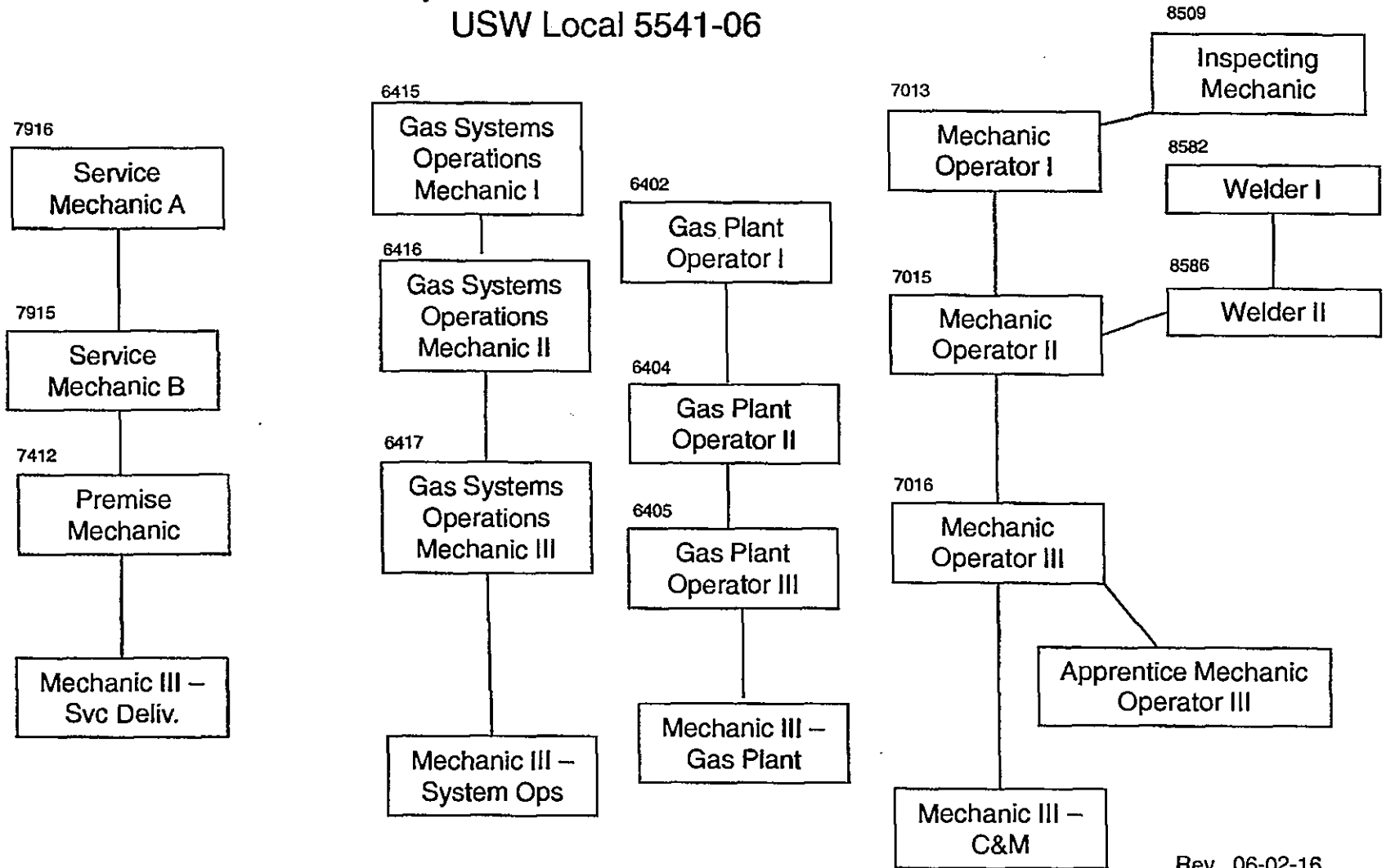
## Gas Operations Promotional Chart USW Local 12049



Horizontal Position Does  
Not Necessarily Reflect Job  
Evaluation or Wage Level

- Rev. 06-02-16
- Rev. 06-03-11
- Rev. 05-14-03
- Rev. 05-16-94
- Rev. 04-20-92
- Rev. 04-06-92
- Rev. 11-22-82
- Rev. 05-22-82

## Gas Operations Promotional Chart USW Local 5541-06



Horizontal Position Does  
Not Necessarily Reflect Job  
Evaluation or Wage Level

Rev. 06-02-16  
Rev. 06-03-11  
Rev. 05-14-03  
Rev. 05-16-94  
Rev. 04-20-92  
Rev. 04-06-92  
Rev. 11-22-82  
Rev. 05-22-82

### **Schedule Replacement Guidelines** (Applies to USW Local 12049)

When a temporary vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

The person selected to fill the vacancy will be determined by counting over five on the appropriate crew leader or helper schedule list.

Upon return, the individual will fulfill the next schedule of the affected member at their option, barring any extenuating circumstances.

Members electing to trade schedules shall be held responsible for the schedule after the proper paperwork is completed.

(Applies to USW Local 5541-06)

When a temporary vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

A Crew Leader vacancy is to be filled with the junior qualified Mechanic Operator I regardless of placement on schedule listing.

A Helper vacancy is to be filled with the junior qualified Helper regardless of placement on schedule listing.

The person causing the vacancy in the shift will be required to work the shift of the person assigned to their shift.

(Applies to USW Local 12049 and 5541-06)

When a permanent vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

A Crew Leader vacancy is to be filled with the junior qualified Mechanic Operator I regardless of placement on schedule listing.

A Helper vacancy is to be filled with the junior qualified Helper regardless of placement on schedule listing.

In the event a vacancy cannot be filled by the process described above, the Union and the Company will meet to discuss and resolve.

## Home Site Reporting Guidelines June 2, 2016

(Field Operations, Gas Measurement Center, Contractor Construction, Corrosion, System Operations, Gas Production and Service Delivery)

### Company Vehicles:

Effective January 1, 2017, employees who home site report and are assigned a Company vehicle, will be required to live within 40 air miles of their assigned headquarters. In this case, vehicles can be parked at the employee's residence. If an employee lives beyond 40 air miles of their assigned headquarters, they will be required to leave the vehicle at the closest Headquarters or agreed upon location for pick-up each day. (Example: Headquarters closer to the residence than reporting headquarters)

### Reporting Time:

When reporting within the area of the assigned headquarters, start time is on the job site at the start of the shift.

When reporting outside of the area of the assigned headquarters, start time is on the job site no longer than 30 minutes after the start of the shift.

### Quitting Time:

When quitting from the job site within the area of the assigned headquarters, it is permissible to leave the site no earlier than 15 minutes prior to the end of the shift.

When quitting from the job site outside the area of the assigned headquarters, it is permissible to leave the site no earlier than 30 minutes prior to the end of the shift.

Employees are expected to be available until the end of their shift.

### Meetings:

For training or Company meetings, employees shall report to the headquarters directed by the Supervisor at the start of the shift.

### Inclement Weather

During periods of inclement weather employees with an assigned route or geo-grid will typically remain in the field within their assigned area unless directed by their Supervisor to report to a different work location.

Employees who do not have an assigned area or geo-grid nor any work to perform, should report to the District at the start of their shift unless directed otherwise by Management.

**When on Vacation or other leave:**

The vehicle shall be left at the regular parking location or brought to the headquarters as determined by the Company. The assigned driver shall notify the Supervisor and provide access to the vehicle. The assigned driver shall also arrange with the Supervisor when he/she will pick up the vehicle upon or prior to returning to duty.

**When on Schedule (excludes Service Delivery):**

The vehicle shall be left at the regular parking location or brought to the headquarters as determined by the Company.



February 25, 2013

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Eastern Avenue Headquarters

Re: Apprentice Mechanic Operator III

Dear Gentlemen:

Reference is made to the committee efforts and discussions between the parties pertaining to the new Apprentice Mechanic Operator III position.

As agreed to in the 2011-2016 negotiations, this newly created position is the starting position for the Mechanic Operator line of progression. The attached job description outlines the duties and qualifications of the position. The parties have agreed that the job will be set at a wage level VI in lieu of using the formal job evaluation process as is outlined in the contract (Article V, Section 1, (h)-(m).

All employees entering into the Apprentice Mechanic Operator III position will be employed with the understanding that they must successfully promote to the Mechanic Operator II position within the timeframes outlined. Specifically, it is expected that employees entering into the Apprentice Mechanic Operator III position, will have successfully completed all the training and received the necessary licenses and/or certifications to be able to qualify to promote to the Mechanic Operator III position within a period of 12 months. At a minimum, failure to qualify for this purpose would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations.

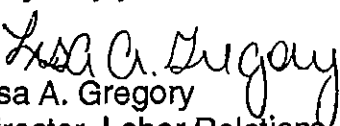
**A-83**

In addition, it is expected that employees entering into the Mechanic Operator III position, will have successfully completed all the training and received the necessary licenses and/or certifications to be able to qualify to promote to the Mechanic Operator II position within a period of 24 months. At a minimum, failure to qualify in this case would include situations where two successive written examinations or two successive practical demonstrations were not passed. Employees will be allowed a maximum time period of three months between the two successive examinations and/or demonstrations.

If an employee is not able to complete the required training within the timeframes outlined above due to the Company not being able to schedule the appropriate classes, the Company will accommodate those delays by extending the time period to promote by the time the start of the class was delayed.

The employment of any individual who does not successfully meet the requirements to promote to the Mechanic Operator III or Mechanic Operator II position will be terminated.

Very truly yours,

  
Lisa A. Gregory  
Director, Labor Relations

cc: G. Hebbeler  
S. Farley  
D. Smiley

March 20, 2014

Mr. Don Reilly  
Business Manager  
Local Union 1347  
International Brotherhood of  
Electrical Workers, AFL-CIO  
4100 Colerain Avenue  
Cincinnati, Ohio 45223

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Separation of Gas and Electric Customer Premise Work

Gentlemen:

In late 2013, the Company and the Unions resumed discussions concerning the separation of the workforce that performs combination gas and electric duties on customer premises.

As soon as practical and except as provided below, Service Delivery employees represented by IBEW Local 1347 will not be assigned to perform gas customer premise work, including but not limited to, disconnection of gas service for failure to pay. Further, Gas Operations employees represented by USW Locals 12049 and 5541-06 will not perform electric customer premise work, including but not limited to, disconnection of electric service for failure to pay. While the Company will determine the effective date of this agreement, separation will occur simultaneously for Gas and Electric employees.

However, the Company reserves the right to assign gas and electric customer premise work to the first responder who is qualified to safely perform the work, regardless of the



department or union affiliation of the first responder, when such work is necessary to protect life, property or continuity of service.

The separation of the gas and electric customer premise work will not cause wage levels to be re-evaluated at this time for employees assigned to perform gas or electric customer premise work. Employees will continue to be expected to comply with regulations and department work rules as determined by management, including but not limited to, home site reporting expectations.

Based on the foregoing, this letter supersedes any prior letters or agreements among the parties relating to this matter. It is thought that the above adequately describes the parties' agreement on this matter.


Sincerely,



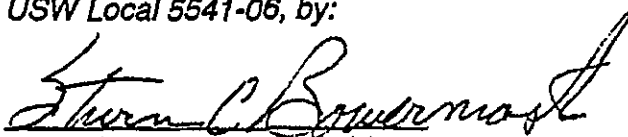
Jay R. Alvaro  
Director, Labor Relations

**AGREED TO BY:**

*IBEW Local 1347, by:*

  
Don Reilly, Business Manager

*USW Local 5541-06, by:*

  
Steve Bowermaster, President

*USW Local 12049, by:*

  
John Waits, President

June 2, 2016

Mr. Steve Bowermaster  
President, Local No. 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President, Local No. 12049  
United Steelworkers  
Valley View Headquarters

Re: Safety Shoe Policy

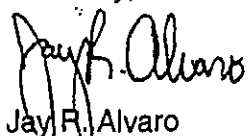
Dear Gentlemen:

During the 2016 negotiations, the Company and the Union agreed to memorialize the Safety Shoe Policy rolled out in 2014 for eligible employees in the Gas Operations – Field & Systems Operation and Customer Operation organizations describing appropriate footwear to be worn by employees and an annual reimbursement amount.

Eligible employees, as determined by the Company, will be reimbursed up to \$150.00 for the purchase of one pair of safety shoes per year that comply with the Company standards. Newly hired employees into one of the above referenced organizations also will be eligible for this reimbursement. Employees will not be eligible for this reimbursement if they were previously provided reimbursement by the Company for safety shoes under this or another program to ensure that there is no duplication or stacking of benefits for this purpose.

Employees will be expected to purchase and wear footwear that meets the requirements for the type of work they are required to perform. The protective footwear must comply with the following standards: over the ankle foot support, a reinforced toe cap (when performing certain job duties) and a well-defined heel. Footwear must meet an impact resistance rating of 75 pounds and have a compression resistance rating of 75 or 2,500 pounds. Shoes can be purchased at a vendor of the employee's choosing. Prior to reimbursement, the employee is required to provide a copy of the receipt and also proof that the boots meet the safety standards. Employees who damage their boots during normal work activities, should contact their Supervisor immediately, to discuss boot replacement options. Violations of this footwear policy could result in corrective action up to and including discharge.

Sincerely,



Jay R. Alvaro  
Director, Labor Relations

**A-85**

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Global Positioning Satellite (GPS) Technology

Dear Gentlemen:

This letter documents our discussions and agreement concerning the use of Global Positioning Satellite (GPS) system and other similar types of technology being contemplated for use within Gas Operations.

The primary purpose of the GPS and similar technology is to allow the Company the ability to more efficiently manage and assign work and to enhance safety by allowing us to locate a vehicle in the event we have lost contact with someone or a vehicle has been stolen. As discussed, it is not the Company's intent to constantly monitor employee's whereabouts using the GPS or other technology for purposes of issuing corrective action.

Although its primary use is for managing work, the Company may review and rely on technology and/or the information obtained through its use to aid in an investigation where there is reason to believe an employee may have violated a Company policy or work rule, and the violation may be substantiated or disproven by such a review. To the extent the Company does rely on such information, the Company will treat similarly-situated employees in the same manner. Any such information, upon which the Company relies for purposes of imposing corrective action, will be provided upon request by the Union in accordance with applicable law.

The Company will endeavor to limit the history used in these systems to a maximum of 90 days for any type of disciplinary action.

**A-86**

This letter will be interpreted and applied to comply with all laws. To the extent that this letter conflicts with any applicable law, the law will prevail.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary J. Hebbeler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary J. Hebbeler  
GM, Gas and Field Systems

cc: L. Gregory  
C. Lange

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Seniority Departments

Dear Gentlemen:

During the 2016 – 2021 Contract negotiations, representatives of the Company and the United Steelworkers and it's Locals 12049 and 5541-06 (the Union) discussed changes to certain seniority Departments, Divisions and Sections. This letter documents our discussions and agreements.

As was agreed, effective June 1, 2016, the Departments, Divisions and Sections for Local Union 12049 will be modified such that Field Operations will consist of a combined Ohio/Kentucky Seniority District. Similarly Service Delivery will be modified to consist of a combined Ohio/Kentucky Seniority District.

As of the date of this letter, employees currently in the Field Operations Kentucky seniority district or the Service Delivery Kentucky seniority district in the Mechanic Operator II, Mechanic Operator I, Inspecting Mechanic, Service Mechanic B, or Service Mechanic A job classification, will remain in the respective Kentucky seniority district (see attached list). In addition, the employees in the Service Delivery Kentucky seniority district, will continue to maintain seniority for the purpose of assigning work (i.e. bidding routes) over employees in the newly combined Service Delivery Ohio/Kentucky seniority district.

Employees in the Mechanic Operator II and Service Mechanic B job classifications, will have exclusive rights to the next promotional bid in the Kentucky district within their job hierarchy. For example, a Mechanic Operator II in the Kentucky seniority district, will have seniority for the next Mechanic Operator I opportunity in the Kentucky seniority district.

**A-87**

Should those employees remaining in the Kentucky seniority district within Field Operations or Service Delivery elect to change their current job (i.e. downbid) they will be placed in the appropriate combined department and seniority list.

Any employees bidding or downbidding into Kentucky, in Field Operations or Service Delivery, after June 1, 2016, will be placed in the combined Field Operations (Ohio/Kentucky) or Service Delivery (Ohio/Kentucky) department and seniority unit.

Any future job openings within the Inspecting Mechanic job classification in Kentucky will be filled based on the combined seniority list of all qualified employees in the Field Operations (Ohio/Kentucky) seniority unit.

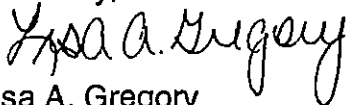
Effective June 1, 2016, one seniority list will be maintained within Local 12049 for the Field Operations (Ohio/Kentucky) Department and one list for the Service Delivery (Ohio/Kentucky) Department for all future job opportunities.

In the event of a surplus in Kentucky, Denny Caple, Hans Butsch and Craig Rittinger will retain their original classified seniority date as indicated below:

Denny Caple 4/01/2002  
Hans Butsch 5/27/2002  
Craig Rittinger 5/22/2008

It is believed that this letter properly describes the agreement reached between the parties concerning this matter.

Sincerely,



Lisa A. Gregory  
Human Resources Principal

cc: Chuck Allen  
Terri Barnes  
Gary Hebbeler

**Current Field Operations Kentucky District Employees**

Name	Job Title	Classified Seniority Date
Kevin Anthony Hall (031970)	Inspecting Mechanic	5/13/2002
James McDermott Jr. (054120)	Inspecting Mechanic	2/18/2008 (02)
Robert Allen Cooper (018361)	Inspecting Mechanic	1/4/2016
Patrick Glenn (028445)	Mechanic Operator I	10/10/1988 (03)
Walter Kevin Montgomery (058180)	Mechanic Operator I	3/13/1989 (01)
Michael J. Highhouse (037512)	Mechanic Operator I	7/29/2002 (02)
Russell D. Routt (070160)	Mechanic Operator I	8/26/2002 (03)
Glenn D. Poston (064863)	Mechanic Operator I	11/25/2002
Michael D. Allen (017446)	Mechanic Operator I	9/5/2006 (02)
Denny J. Caple (018163)	Mechanic Operator I	11/17/2014 (01)
Hans J. Butsch (018116)	Mechanic Operator I	09/28/2015 (02)
Craig A. Rittinger (096798)	Mechanic Operator I	04/11/2016 (02)
Christopher M. Thomas (095389)	Mechanic Operator II	7/20/2011 (03)
Brian Waters (087845)	Welder I	11/28/2011

**Current Service Delivery Kentucky District Employees**

Jeffrey Paul Bucher (018023)	Service Mechanic A	5/9/1994 (01)
Michael E. Johnson (042203)	Service Mechanic A	4/29/1996
Douglas Duryea (021750)	Service Mechanic A	4/5/2015
Robert L Gebhardt (026857)	Service Mechanic B	9/26/2011 (02)
David A. Harms (033300)	Service Mechanic B	9/26/2011 (03)
Eric A. Leedy (048630)	Service Mechanic B	06/10/2013
Gerald Joseph Schack (071853)	Service Mechanic B	08/04/2014 (01)
Jerry William Harris (033635)	Service Mechanic B	08/04/2014 (02)
Michael J. Hertenberg (036884)	Service Mechanic B	08/04/2014 (03)
Marc D. King (044792)	Service Mechanic B	08/04/2014 (04)
Michael Anthony Baynum (017662)	Service Mechanic B	12/10/2014 (01)
Robert W. Winterman (091847)	Service Mechanic B	12/10/2014 (02)
Jeff Berkemeier (017723)	Service Mechanic B	01/25/2016 (01)
Ryan Moore (096039)	Service Mechanic B	01/25/2016 (02)

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Work Hours Beyond Normal Scheduled Shift

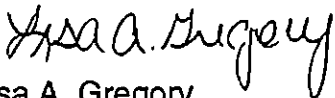
Dear Gentlemen:

This letter documents our discussions related to rest periods allowed by employees after they have worked extended hours due to Company needs.

Pursuant to previous Company Protocol Group guidelines, as revised in 1999, the Company will continue to follow the guideline stating that any employee required to work as a result of an emergency callout, will be permitted six (6) hours rest, which includes travel time, before being required to report to their next scheduled shift. This guideline does not establish start or release times or limit managements right to hold employees over during emergency situations.

It is believed that this letter properly describes the agreement reached between the parties concerning this matter.

Sincerely,



Lisa A. Gregory  
Human Resources Principal

cc: Chuck Allen  
Gary Hebbeler

**A-88**



June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Emergency Work Outside of Ohio/Kentucky Service Territory

Dear Gentlemen:

This letter documents our discussions and agreement concerning emergency work performed outside of the Ohio/Kentucky service territory. The following guidelines will apply when employees represented by USW 12049 or 5541-06, are called upon to work outside of the Ohio/Kentucky service territory in emergency situations.

For continuous emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates, that requires a lodging stay away from home, on the first day of the assignment the straight time rate will be paid during regular working hours and the time and one-half rate will be paid for hours of continuous work over the regularly scheduled hours. Beginning with the second day of such an assignment, the rate of time and one-half will be paid for all hours worked.

Time and one-half shall be paid for all emergency time worked for other utilities at their respective operating locations.

Compensation Guidelines:

- Compensation when traveling begins when the employee begins driving toward their destination and ends when the employee arrives at the final destination of the day.

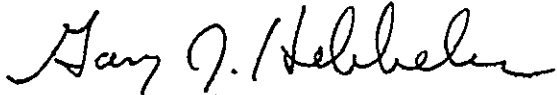
- When employees reach their destination and are to begin work, compensation will begin when the employee leaves the host Company staging area. If the staging area is away from the place of lodging and crews have to be transported to the staging area, then time begins when the employee leaves the place of lodging.
- Compensation ends for the work day when the employee returns to the host Company's staging area. If the staging area is away from the place of lodging and crews have to be transported, then the time will stop when the employee returns to the place of lodging.
- Employees required to work ten consecutive hours or more, shall be furnished a meal or compensation in lieu thereof (in accordance with the Contract), and an additional meal or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty.
- Employees are not eligible to receive a daily per diem allowance.
- After 16 consecutive hours of work, Article VII, Section 1(i) will continue to apply.

#### Crew Assignments:

- The duration of the each employee's deployment will be for no longer than two weeks. It is the intention of the Company to rotate crews in and out of deployments. Employees deployed for an initial time period may become eligible for a second deployment after serving at least one rotation back at their regularly assigned location or if there are no other volunteers.
- Management will determine which Districts will be eligible to participate in a deployment, and the number of employees and crews from each of the Districts. Management will post a sign-up sheet, if time allows, at each eligible District for employees to volunteer no later than the deadline communicated or attempt to contact employees by low overtime to solicit volunteers, if time does not allow. Management will determine the appropriate make-up of the crew.
- If there are excess volunteers, the Company will select employees to be deployed based on low overtime. In the event of an insufficient number of volunteers, the Company will assign employees to the deployment based on low overtime but will consider extenuating circumstances.
- If an employee is on a rotating shift schedule, as determined by the Company, at the start of a deployment period, the employee will not be eligible to participate in the deployment, either voluntarily or by assignment.
- An employee will not be eligible for this opportunity if there are disciplinary issues.
- During their deployment, employees are expected to comply with the Duke Energy Code of Business Ethics and related policies and procedures.

This letter will be interpreted and applied to comply with all laws. To the extent that this letter conflicts with any applicable law, the law will prevail. The current Contract will remain in effect for issues not addressed herein.

Sincerely,



Gary J. Hebbeler  
GM, Gas and Field Systems

cc: L. Gregory  
C. Lange

June 2, 2016

Mr. Steve Bowermaster  
President  
Local 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President  
Local 12049  
United Steelworkers  
Valley View Headquarters

Re: Welders Returning to C&M

Dear Gentlemen:

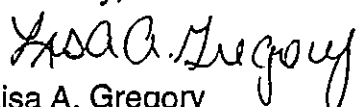
This letter documents our discussions and agreements related to employees in the Welder job classification who are returned to Construction & Maintenance.

If the Company determines that it is necessary for a Welder to return to Construction and Maintenance, that person will return to the Mechanic Operator position that they vacated at the District from which they were promoted/down bid or its replacement. Welders will maintain all of their current accrued seniority as a Welder, if they are returned to a Mechanic Operator position.

In addition, Welders being returned to a Mechanic Operator position, will return at their current rate of pay. If the employee's current rate of pay exceeds the maximum for the job classification they are returning to, the employee will have their pay redlined, until the Mechanic Operator I or II wage rate increases to the point of surpassing the Welder pay. At that time, the person would again be eligible to receive a wage increase up to the maximum rate of pay for the Mechanic Operator I or II.

It is believed that the procedures outlined in this letter properly describe the agreement reached between the parties concerning this issue.

Sincerely,

  
Lisa A. Gregory  
Human Resources Principal

**A-90**

June 2, 2016

Mr. Steve Bowermaster  
President, Local No. 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President, Local No. 12049  
United Steelworkers  
Valley View Headquarters

RE: 2016-2021 Post Retirement Healthcare Letter

Dear Gentlemen:

During the 2016 negotiations, the parties discussed post-retirement healthcare benefits. This letter amends the Retirement Plan and HRA Conversion Sidebar Letter A-71 dated August 1, 2007, as amended by Sidebar Letter A-71a dated June 3, 2011, and the Post Retirement Medical Benefit Sidebar Letter A-76 dated April 4, 2005, and confirms these discussions and the resulting agreement.

Access to Post-Retirement Health Benefits

Employees who terminate on or after November 1, 2016 after attaining at least age 50 with at least 5 years of service will have unsubsidized access (i.e., no Company contributions) to post-retirement medical, dental, and vision coverage. Coverage for retirees age 65 and older will be provided on an unsubsidized basis through a Medicare Coordinator. The Company shall provide a subsidy/contribution towards the cost of post-retirement health coverage only as provided below in this letter.

Subsidies/Company Contributions - Traditional Option

For employees who terminate on or after November 1, 2016, the "Traditional Option" is hereby amended to provide contributions towards the cost of post-retirement healthcare coverage, in the form of credits to a newly established Subsidy Health Reimbursement Account ("Subsidy HRA") only for individuals who are under age 65 and who are:

- In a group eligible for a medical subsidy under the rules in effect prior to November 1, 2016, which is limited to those hired prior to January 1, 2012; and
- At least age 55 with at least 10 years of service at termination of employment.

The amount of the contributions will vary as follows:

**A-91**

- Eligible employees age 50 or older by November 1, 2016 will receive (during retirement) a pre-65 contribution of \$350 per month, plus \$175 per month for their spouse/domestic partner, if any; and
- Eligible employees younger than age 50 as of November 1, 2016 will receive (during retirement) a pre-65 contribution of \$250 per month, plus \$125 per month for their spouse/domestic partner, if any.

#### Subsidies/Company Contributions - HRA Option

Effective November 1, 2016, the "HRA Option" is hereby amended such that:

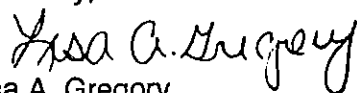
- The Company will discontinue crediting 1/12 of \$1,000 each month to the health reimbursement accounts for those employees who have a health reimbursement account under the HRA Option, with interest credits continuing; and
- The Company will offer a choice window in 2016 to employees who have a health reimbursement account under the HRA Option to elect whether to continue in the HRA Option (modified as described in the above bullet) or to forego their rights to their modified health reimbursement accounts under the HRA Option in exchange for participation in the Traditional Option (modified to provide credits to a Subsidy HRA as described above).

#### Miscellaneous

The post-retirement health benefits described above will replace the post-retirement medical coverage options in effect prior to November 1, 2016, for employees who terminate on or after November 1, 2016, including those described in Sidebar Letters A-71, 71a, and 76. These benefits will be governed by and construed in accordance with the applicable plan documents.

In all other respects, Sidebar Letters A-71, 71a, and 76 shall continue in accordance with their terms.

Sincerely,



Lisa A. Gregory  
Human Resources Principal

June 2, 2016

Mr. Steve Bowermaster  
President, Local No. 5541-06  
United Steelworkers  
Todhunter Headquarters

Mr. John Waits  
President, Local No. 12049  
United Steelworkers  
Valley View Headquarters

RE: Amendment to A-71 "Retirement Plan and HRA Conversion Agreement"

Dear Gentlemen:

During the 2016 negotiations, the Company and the Union discussed changes to the Company's retirement programs. This letter sets forth the changes that were agreed to by the Company and the Union.

#### Retirement Benefits for New Hires and Rehires

For employees hired or rehired on or after January 1, 2017, the Company will provide an annual Employer Retirement Contribution to the Duke Energy Retirement Savings Plan ("RSP") in the amount of 4% of the employee's annual compensation (including base, overtime, and incentive compensation) in accordance with the RSP plan documents. Such newly hired or rehired employees also will be eligible for the Company-provided matching contribution equal to 100% of the before-tax (and Roth) contributions made up to 6% of eligible compensation in accordance with the RSP plan documents on the same basis as employees hired or rehired prior to January 1, 2017 who are eligible for that matching contribution formula. Employees hired or rehired on or after January 1, 2017 will not be eligible to participate in the Cinergy Corp. Union Employees' Retirement Income Plan (the "Retirement Income Plan").

#### Cash Balance Interest Credit

The cash balance interest credit rate under the Retirement Income Plan for pay credits made on and after January 1, 2017 will be based on a 4% interest rate (0.327% monthly equivalent interest rate). For purposes of clarity, the cash balance interest credit rate applies to cash balance participants and the Part B benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit. The Part A (traditional) portion of the participant's benefit will not be affected by this change.

Retirement Income Benefit for Long-Term Disability

A participant who starts receiving long-term disability benefits on or after July 1, 2017 will receive interest credits under the Retirement Income Plan's cash balance formula while disabled, but will not receive pay credits while long-term disabled, in accordance with the Retirement Income Plan documents. This change will not apply for any individual who starts receiving long-term disability benefits before July 1, 2017, or participants under the traditional formula, or for the Part A benefit for participants who have a Part A (traditional) and Part B (cash balance) pension plan benefit.

For purposes of clarity, as previously agreed, the Company may in its discretion merge the Retirement Income Plan into the Duke Energy Retirement Cash Balance Plan or other defined benefit plan maintained by the Company. In accordance with applicable law, any such merger will not reduce participants' accrued benefits.

The complete provisions of the Company's retirement plans are set forth in the plan documents, as amended to make administrative changes, legally-required changes and/or technical changes that do not reduce the benefits formula. In the event of a conflict between any other communication and the plan documents themselves, the plan documents control.

It is thought that this letter accurately describes the agreement reached by the parties regarding amendments to Sidebar Letter A-71 relating to retirement plan agreements.

Sincerely,



Lisa A. Gregory  
Human Resources Principal



OUR VISION



**SAFETY**First

The "SAFETY" portion of the text is in a bold, dark blue font, while "First" is in a lighter blue font. Above the text is a green triangle with a white border and a smaller dark blue triangle inside it.

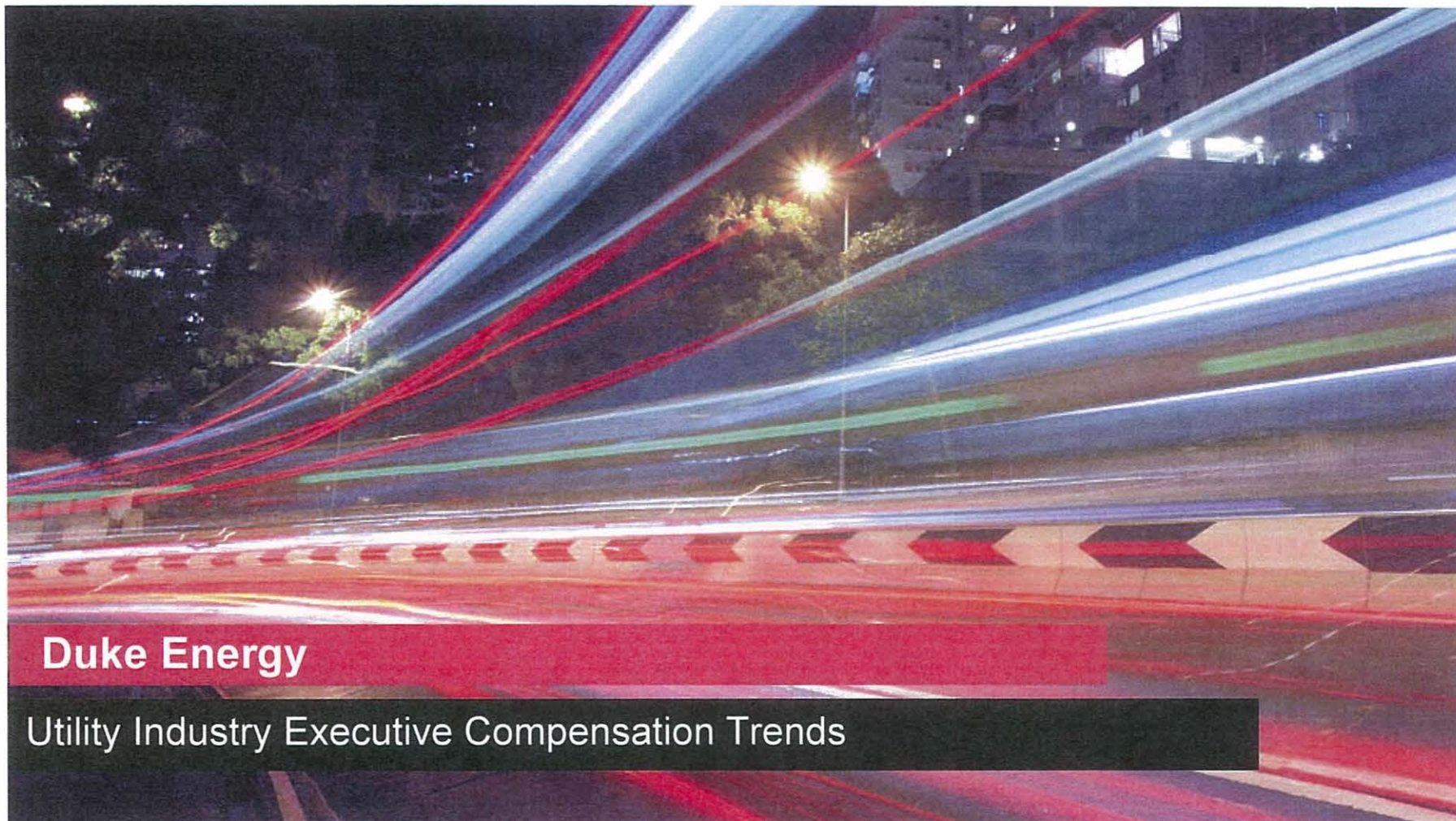
**DUKE ENERGY HEALTH AND SAFETY VISION**

**Our health and safety vision is aimed at cultivating:**  
A healthy and injury-free workplace, sustained by behaviors that consistently demonstrate our commitment to the welfare of each other, our contractors and to the communities we serve.

**CONFIDENTIAL**  
**ATTACHMENT TS-8a**  
**FILED UNDER SEAL OF**  
**PETITION FOR**  
**CONFIDENTIAL**  
**TREATMENT**

**CONFIDENTIAL**  
**ATTACHMENT TS-8b**  
**FILED UNDER SEAL OF**  
**PETITION FOR**  
**CONFIDENTIAL**  
**TREATMENT**

**CONFIDENTIAL**  
**ATTACHMENT TS-8c**  
**FILED UNDER SEAL OF**  
**PETITION FOR**  
**CONFIDENTIAL**  
**TREATMENT**



**Duke Energy**

Utility Industry Executive Compensation Trends

Discussion Draft

May 15, 2015

TOWERS WATSON 

## Today's Discussion

- Utility Compensation Trends Research Findings
  - Summary Highlights
  - CEO Compensation Trends
  - Annual Incentive Plan Practices
  - Long-Term Incentive Plan Practices
  - Pay for Performance
  - Stock Ownership Guidelines
- Key Trends and Issues Impacting the Utilities Industry
  - Say-on-Pay Trends
  - Workforce Research
  - Key Market Trends
  - Utility Industry Issues

## Summary Highlights for 2015

Research consists of **25** publicly-traded, regulated US-based electric utilities

### Revenue Summary

Median **\$12.3B**

Average **\$12.6B**

**+8%**

Operating  
Income increased  
by

**+15%**

in FY14

Almost  
**84%**  
of companies  
paid their  
CEO's above  
target annual  
incentives  
in FY14

Continued  
use of  
*multiple  
incentive plan  
measures*

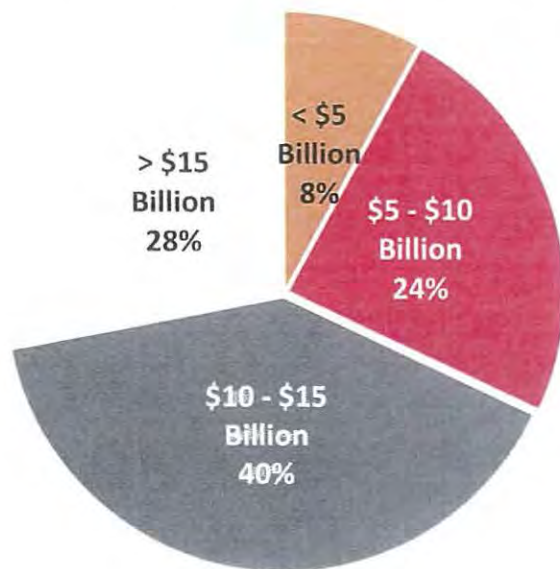
**6%**  
*increase in CEO  
total direct  
compensation  
over 2014  
at median*

## Summary Highlights

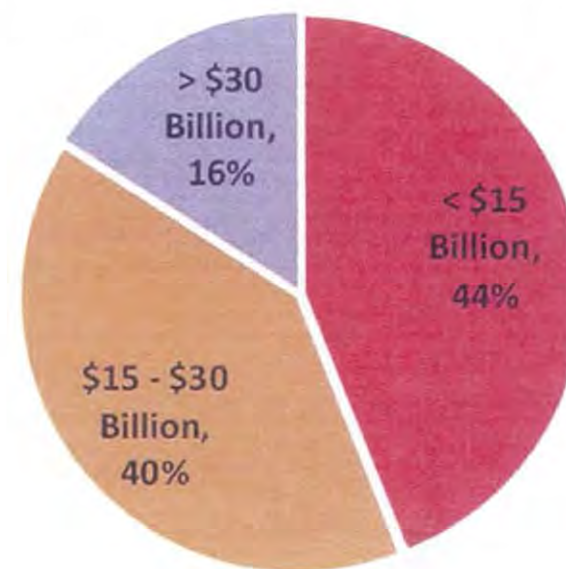
### Companies Examined

- We examined the 2015 proxies of 25 regulated electric utilities with median revenues of \$12.3B
  - Median revenues increased 8% from 2013 fiscal year-end

Annual Revenue Distribution



Market Capitalization Distribution



Source: Standard and Poor's Capital IQ database.

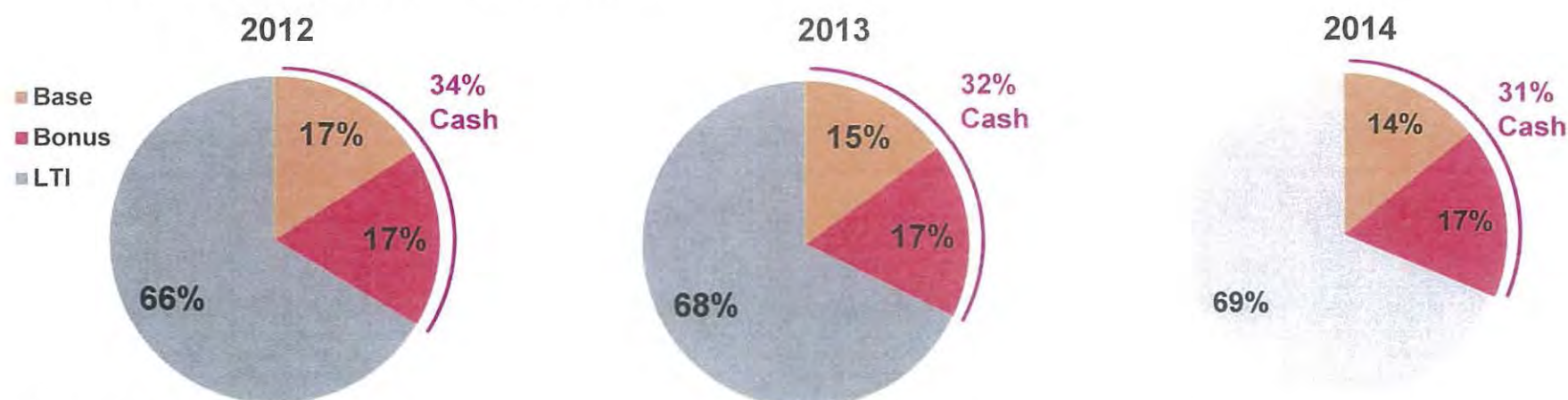


## CEO Compensation Year-over-Year Comparison

- CEO pay showed similar growth from prior year and target pay mix remains constant

Pay Element	Includes	Median Change		Projected 2015
		2012 - 2013	2013 - 2014	
Base Salary	Annual salary	3%	3%	3%
Target Bonus	Target annual bonus set at the beginning of the year	3%	5%	3%
Target Long-Term Incentives	Grant date value of stock options, restricted stock and performance plan awards	9%	8%	5% - 10%

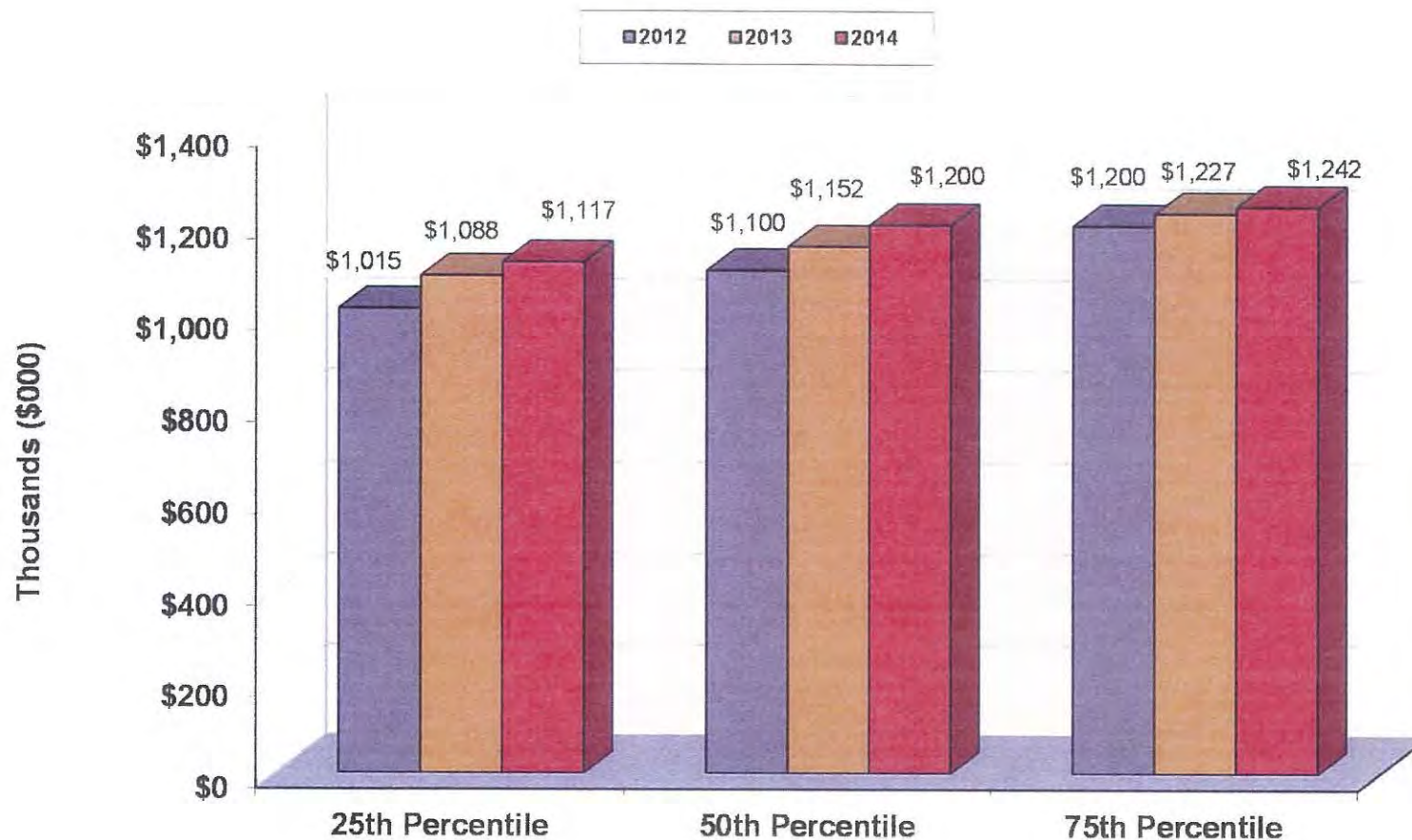
Total target direct compensation increased 6%



Source: Proxy filings.

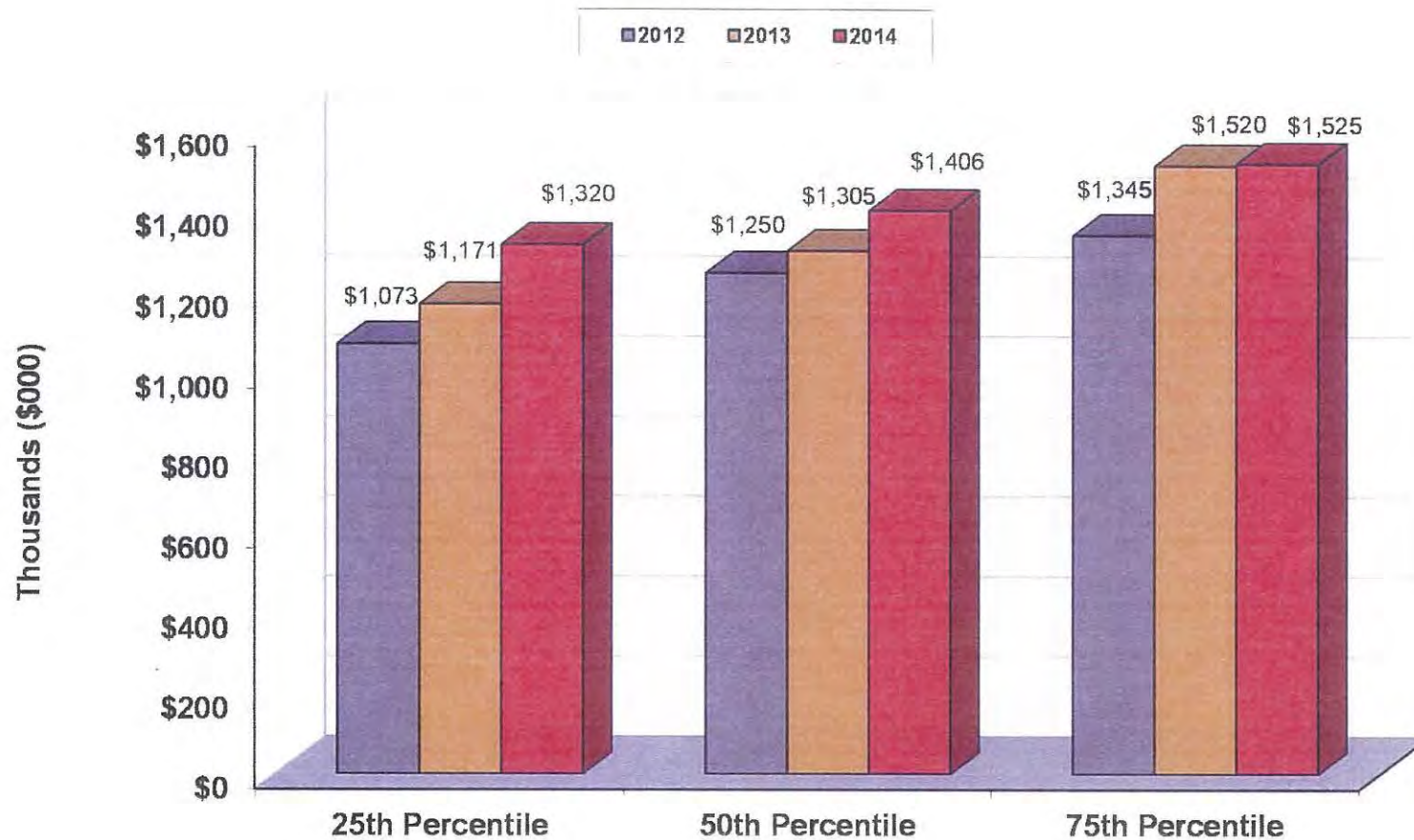
Data reflects CEOs in the role for the past 36 months (19 of 25 companies) and represents median of variances.

## CEO Compensation Modest Base Salary Growth



Source: Proxy filings.  
Data reflects CEOs in the role for the past 36 months (19 of 25 companies).

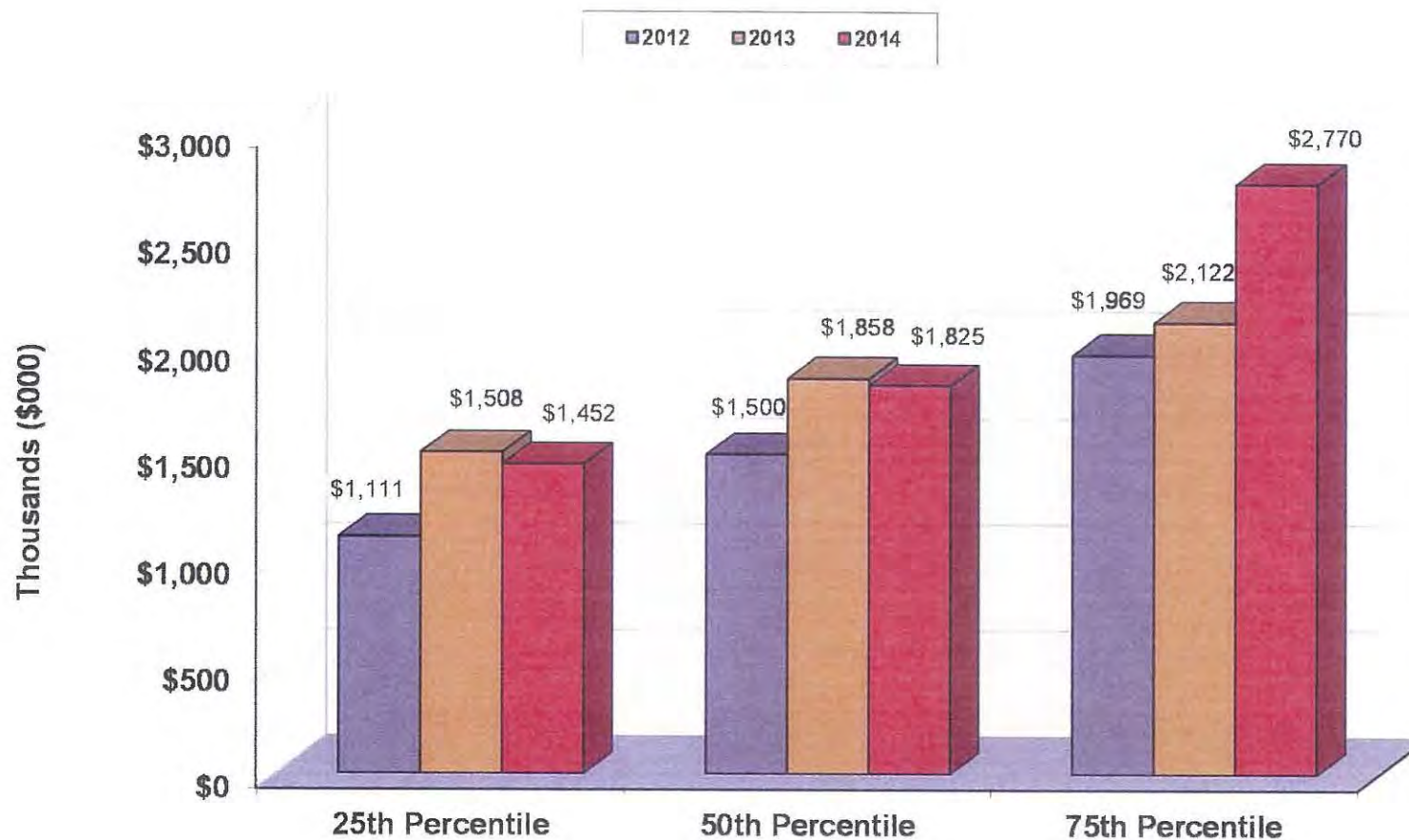
## CEO Compensation Shot-term Incentive Targets Up Slightly



Source: Proxy filings.  
Data reflects CEOs in the role for the past 36 months (19 of 25 companies).

## CEO Compensation

Actual Bonus Payouts Decreased Slightly at Median



Source: Proxy filings.

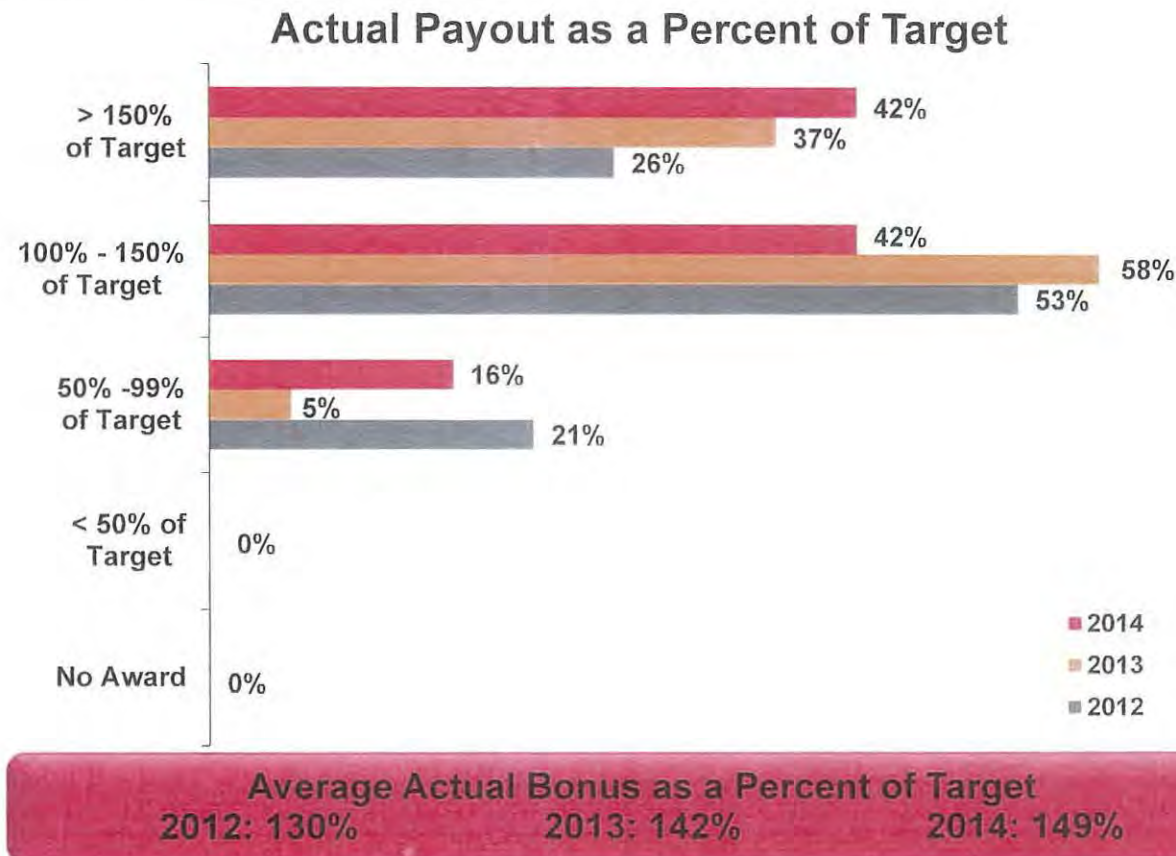
Data reflects CEOs in the role for the past 36 months (19 of 25 companies).

[towerswatson.com](http://towerswatson.com)

## CEO Compensation

### Average Bonuses Higher in 2014 than 2013

- 84% of companies paid 100% of target or more in 2014, versus 95% and 79% in 2013 and 2012 respectively



Source: Proxy filings and Standard and Poor's Capital IQ.  
Data reflects CEOs in the role for the past 36 months (19 of 25 companies).

## CEO Compensation

### Continued Increases in Target Long-Term Incentive Grant Values



- LTI grants increased for 11 of 19 companies, predominantly due to the company's stock price increasing from the previous year (73%) versus an increase in the number of shares/units/options granted

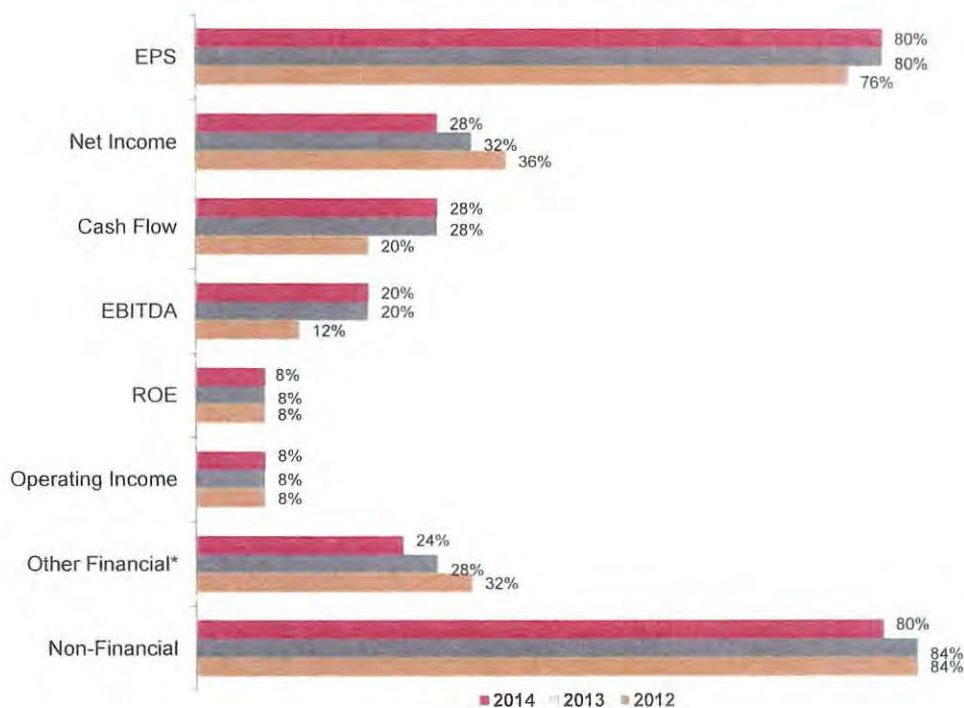
Source: Proxy filings.

Data reflects CEOs in the role for the past 36 months (19 of 25 companies).

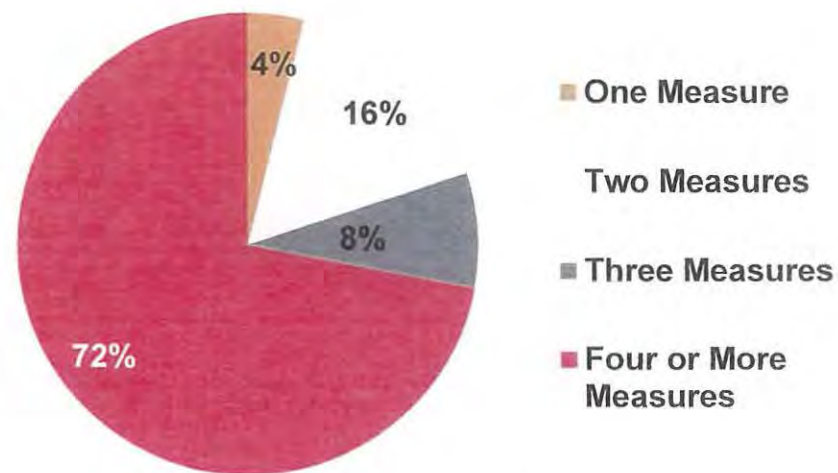
LTI data represents the accounting value of equity grants as disclosed in company's proxy filing.

## Annual Incentive Design Measures Focus on Balanced Scorecard

Prevalence of Annual Performance Measures



Number of Measures

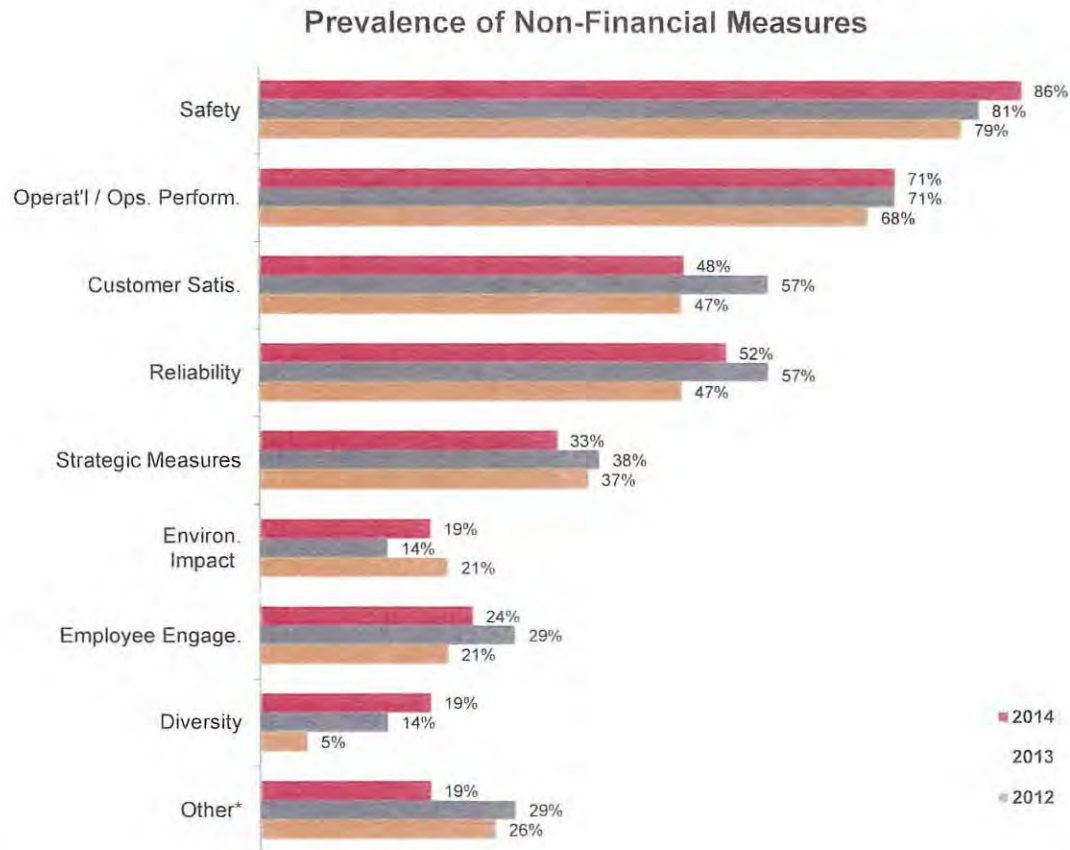


56% of utility companies consider **individual performance** in plan design

Source: Proxy filings.

## Annual Incentive Design Non-Financial Measures

- Safety remains the most common annual incentive plan non-financial measure, but noticeable increases in reliability, engagement and diversity



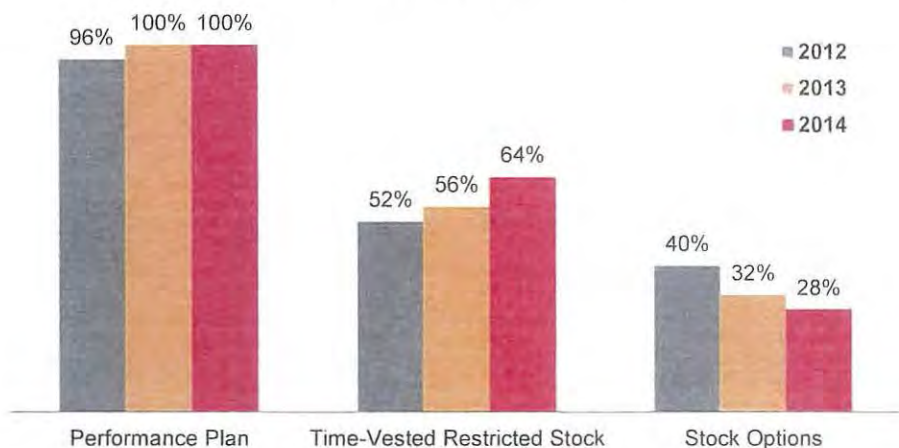
Source: Proxy filings.

\* Examples of "Other" include merger effectiveness, performance improvement, outage rate and regulatory compliance.

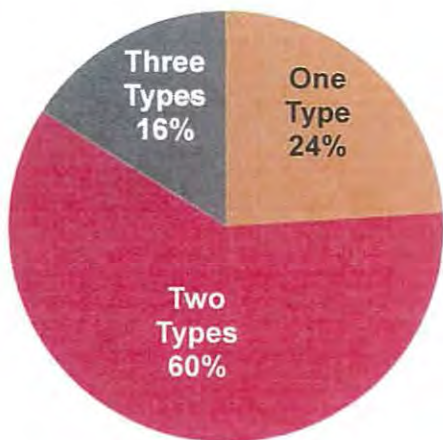


# Long-Term Incentive Design Number and Type of Vehicles

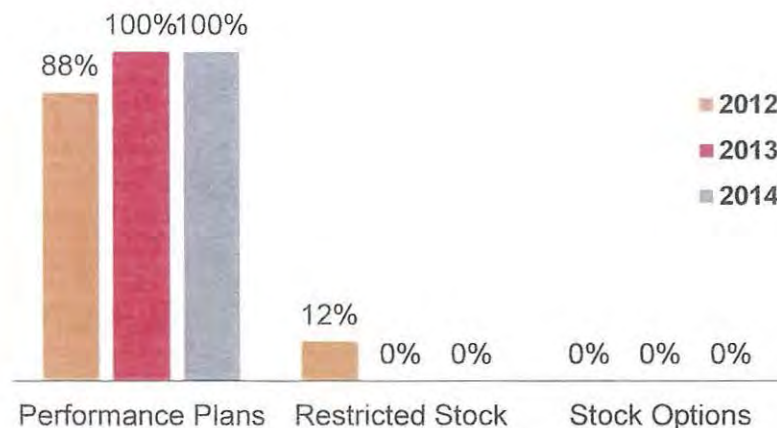
LTI Vehicle Prevalence



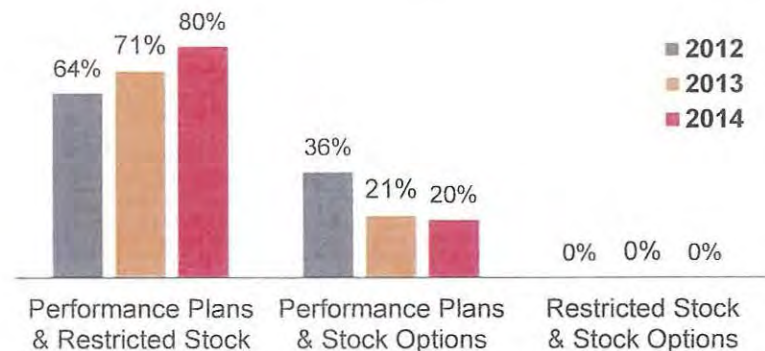
# of LTI Vehicles



Companies using only one vehicle



Companies using two vehicles

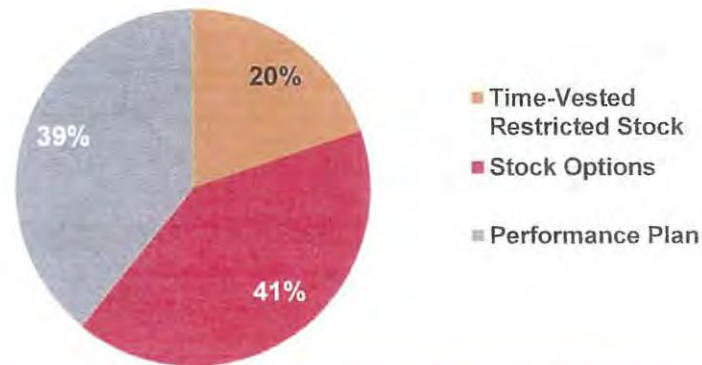


Source: Proxy filings.  
towerswatson.com

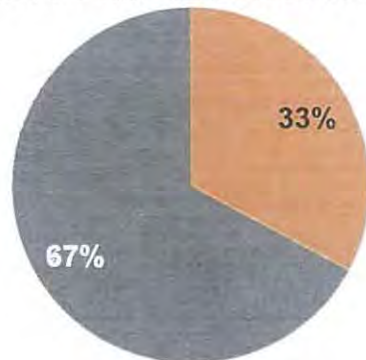
## Long-Term Incentive Design Use of Multiple LTI Vehicles

- Average LTI award mix is more weighted toward performance plans but more so when only two equity vehicles are used

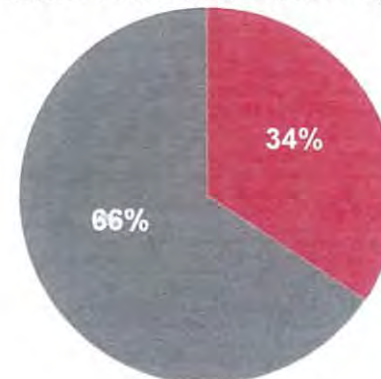
3 Vehicle Average Mix



2 Vehicle Average Mix  
(Performance Plan and Restricted Stock)



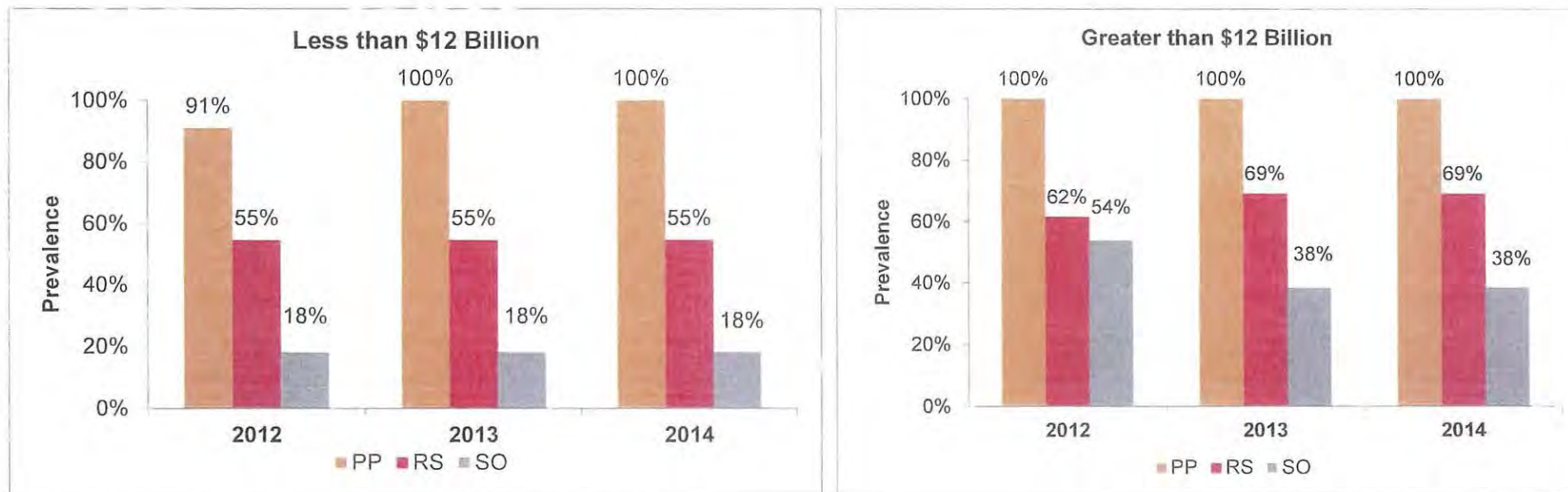
2 Vehicle Average Mix  
(Performance Plan and Stock Options)



Source: Proxy filings.  
[towerswatson.com](http://towerswatson.com)

## Long-Term Incentive Design Vehicle Prevalence Based on Company Size

- Performance plans are used among all utilities within the sample
- Restricted shares and stock options are more prevalent among utilities with revenues greater than \$12 billion



Source: Reflects 24 of the 25 utilities that participated in *TW US CDB Energy Services Survey* over the last three years.

## Long-Term Incentive Design Participation Levels Decrease

- LTI participation levels show a modest decrease year-over-year
- Restricted stock is often granted deeper within organizations given the retention impact of awards
- Stock option participation tends to be more limited than restricted stock and performance shares

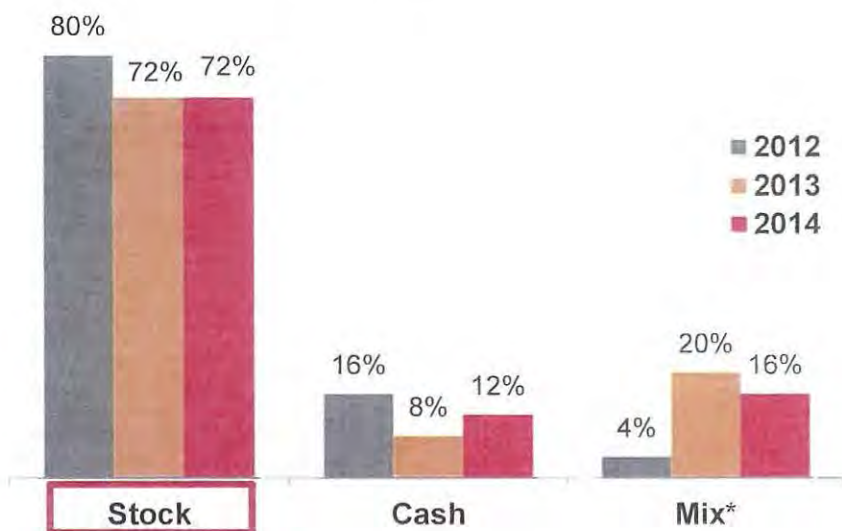


Source: 2007 – 2014 Towers Watson U.S. Long-Term Incentive Plan Report – Energy Services Industry.

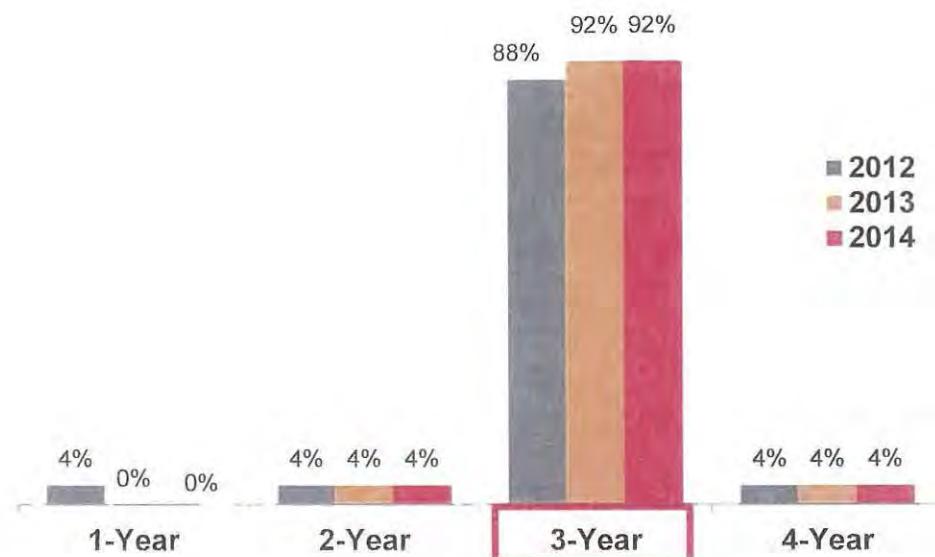
## Long-Term Incentive Design Performance Plans

- Performance plans typically pay out in stock based on a three-year performance cycle

Prevalence of performance plan payout



Prevalence of performance plan cycle



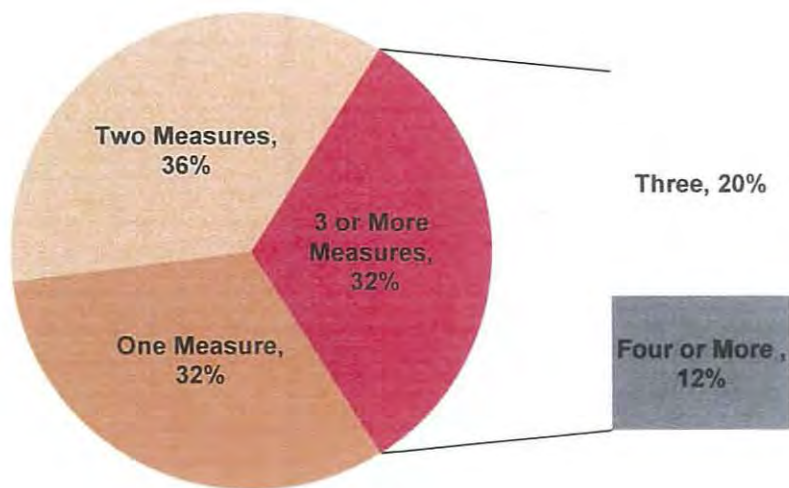
Source: Proxy filings.

\* "Mix" refers to a mix of stock and cash.

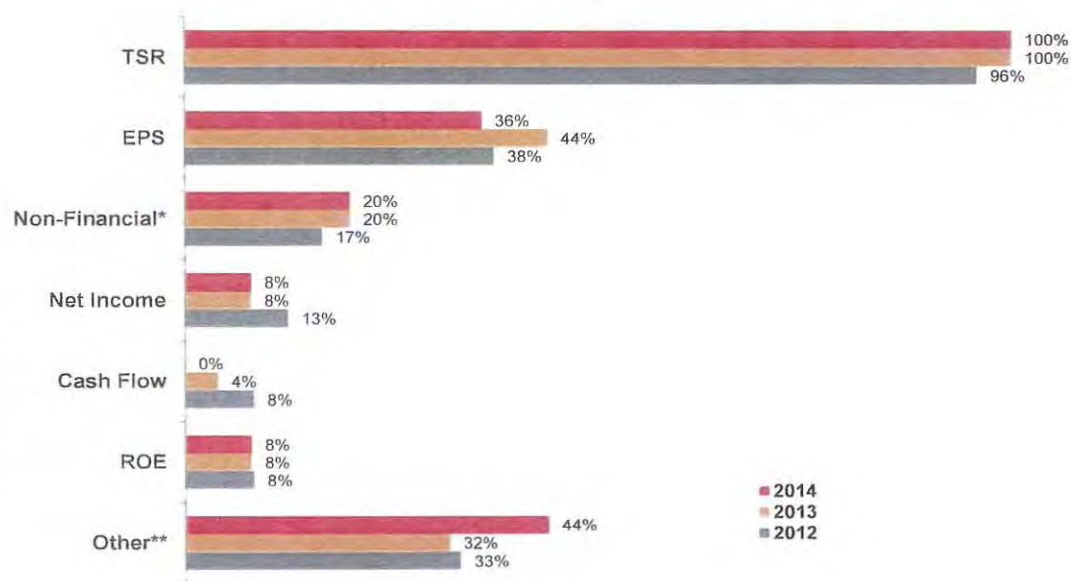
[towerswatson.com](http://towerswatson.com)

## Long-Term Incentive Design Performance-based LTI Measures

Number of Measures



Performance Measures



- 100% of companies with a **single** measure use **TSR**

Source: Proxy filings.

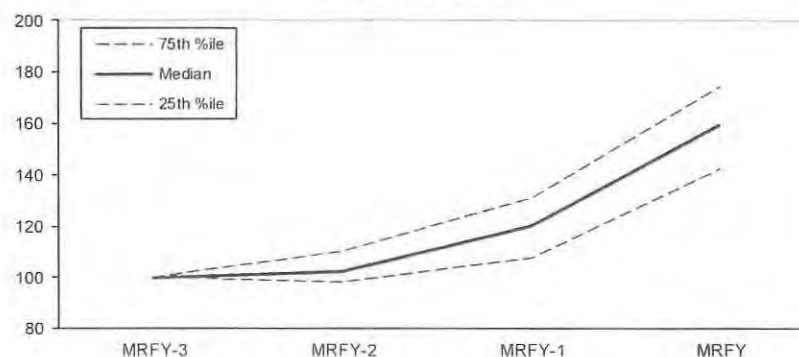
[towerswatson.com](http://towerswatson.com)

## Pay For Performance

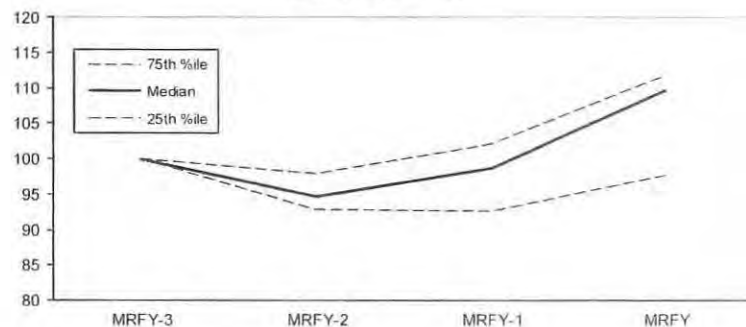
TSR Performance Has Been Strong, Revenue Growth and Profitability Increasing

- Overall, median 3-year TSR is 17%
  - All but one company had positive TSR; all but three companies had double digit TSR growth

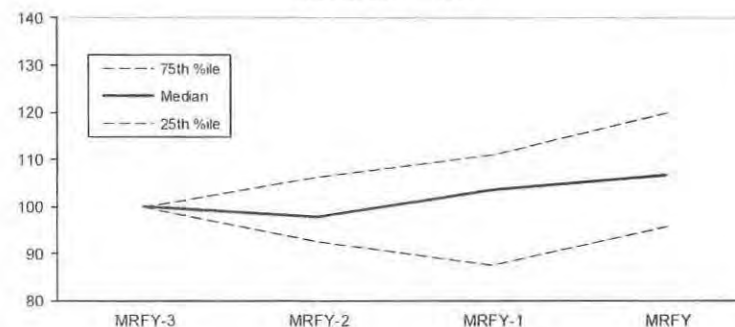
Total Shareholder Return  
Indexed: 2011 = 100



Net Revenue Growth  
Indexed: 2011 = 100



EBIT Growth  
Indexed: 2011 = 100



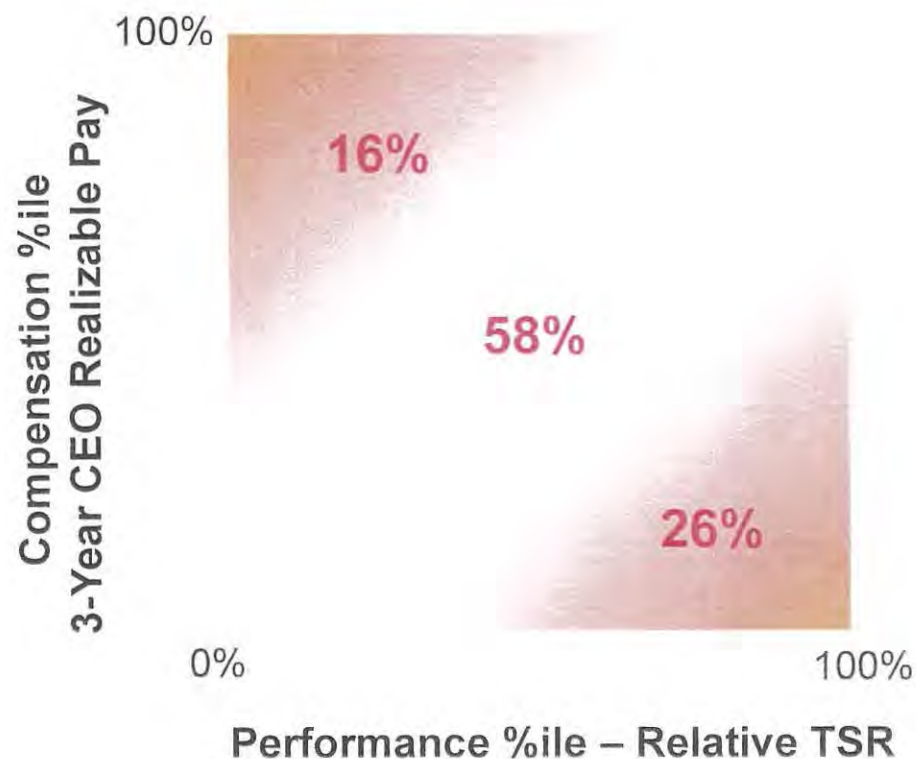
MRFY = Most recent fiscal year

\*Based on a sample of 19 companies with no change in CEO from 2012 - 2014

## Pay For Performance

### Realizable Pay Alignment with Performance

- Over half of the utilities\* under study fall within the alignment zone, though just over 25% fall within the high performance-low realizable pay category



\*Based on a sample of 19 companies with no change to CEO from 2012 - 2014



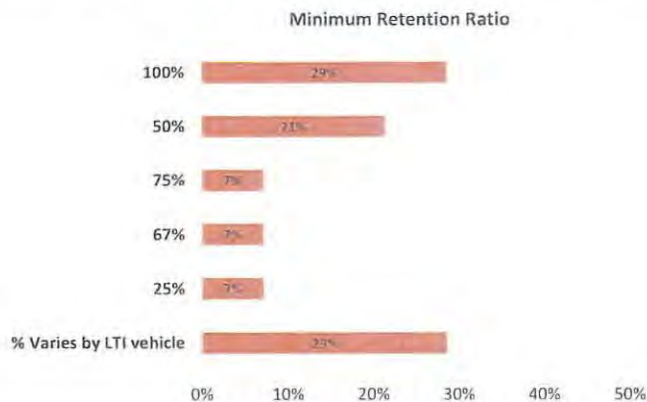
## Stock Ownership Guidelines

### Multiples of Salary and Retention Ratios

- Stock ownership guidelines structured as a multiple of base salary are most common and a majority of utilities include a retention policy
- 92% of utilities reported stock ownership guidelines as a multiple of salary

Multiple of Base Salary Reported	Position			
	CEO	CFO's	EVP's, SVP's & Div. Heads	VP's
Lowest	3X	2X	2X	1X
Highest	7X	4X	4X	1X
<i>Most Common</i>	5X	3X	3X	1X

- 56% of utilities include a retention policy as part of their stock ownership guidelines with varying degrees of minimum retention for future equity grants

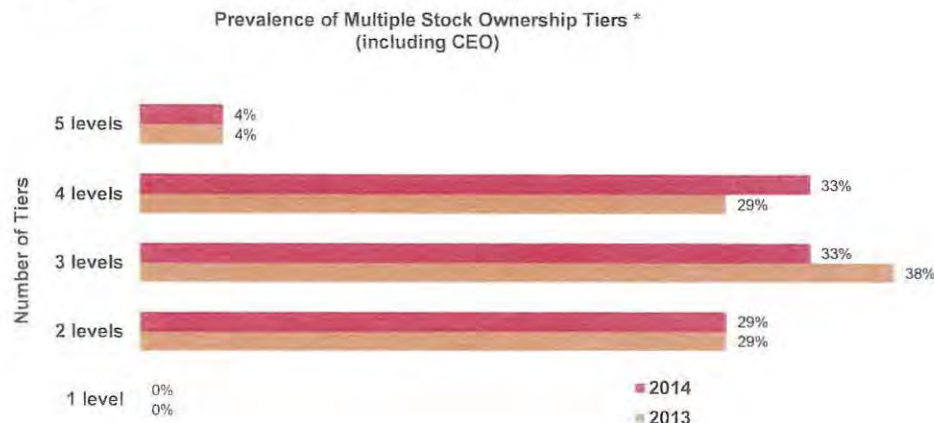


Source: Proxy filings.  
towerswatson.com

## Stock Ownership Guidelines

### Multiples of Salary and Retention Ratios

- Most stock ownership plans are structured to include executives two to three tiers below the CEO



- Most companies count equity in company sponsored plans and unvested stock towards the ownership guideline



**Most utilities allow executives five years to meet ownership guidelines**




Source: Proxy filings.

\* 1 of the 25 companies reported using ranges rather than discrete multiples.

## Key Trends and Issues Impacting the Utility Industry

## Say-On-Pay Early 2015 Results

A comparison of say-on-pay and equity-plan vote recommendations and outcomes for new and amended plans in 2015

Say on pay			Equity plans	
General Industry	Utilities		General Industry	Utilities
<b>90%</b>	<b>97%</b>	Average support in 2015 to date	<b>90%</b>	<b>95%</b>
<b>11%</b>	<b>0%</b>	ISS negative vote recommendations	<b>20%</b>	<b>0%</b>
<b>1%</b>	<b>0%</b>	Failure rate	<b>0%</b>	<b>0%</b>

Source: Towers Watson Executive Compensation Resources analysis; results based on 151 companies reporting results from January 1, 2015, to April 7, 2015, for say-on-pay votes and 58 for equity plan votes at Russell 3000 companies. ISS recommendations confirmed using ISS Governance Analytics.

## Say-On-Pay

### Disclosure Practices — Equity Plan Proposals

- Utilities/Energy Companies are enhancing their disclosure
  - Almost half (44%) discuss share use
  - Two-thirds (67%) summarize key best practices followed
  - About three-quarters (78%) provide summaries of changes which may include several of the following:
    - Add double-trigger vesting
    - Add clawback policy
    - Remove share-recycling provisions
    - Limit dividends to shares earned/vested
    - Adopt minimum vesting provisions

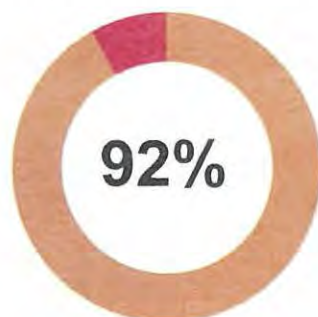


Source: Towers Watson Executive Compensation Resources and company proxies.

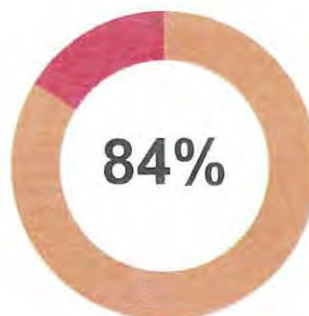
## Say-On-Pay

Compensation Discussion and Analysis (CD&A) elements in the 2015 utility proxies

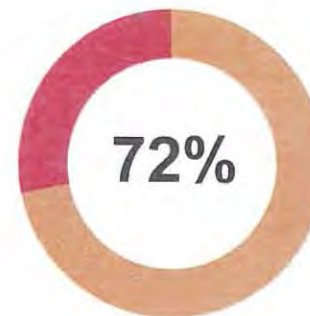
Executive summary



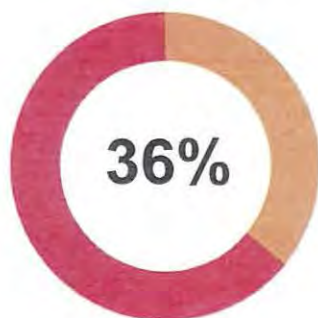
Pay mix chart



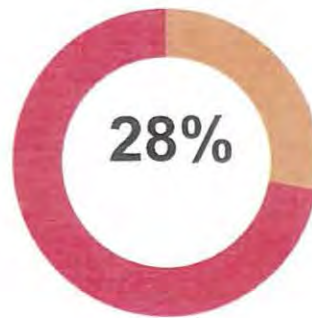
Best practice list



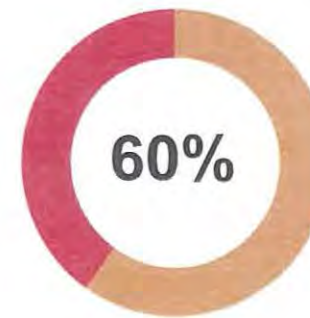
Forward-looking disclosure



Pay-for-performance disclosure



Shareholder engagement

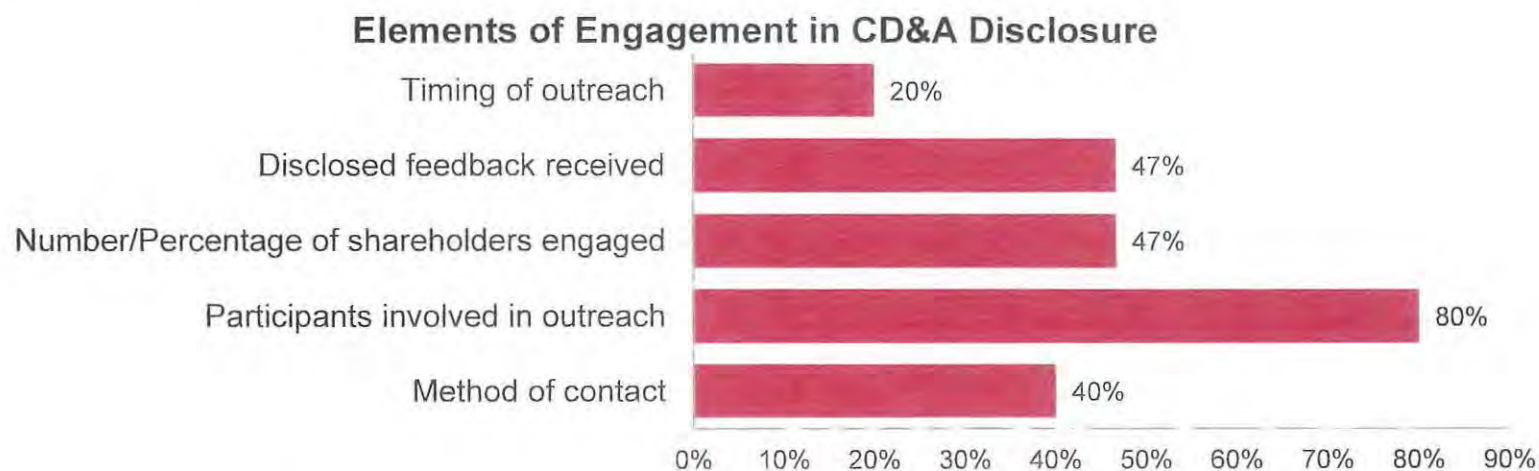


Source: Towers Watson Executive Compensation Resources and company proxies.

## Say-On-Pay

### Disclosure of Shareholder Engagement

- 60% of the utilities examined provide detailed disclosure of shareholder engagement (e.g. annually holding discussions with shareholders, disclosing feedback received from discussions)
  - This is a significant year-over-year increase, only 24% of the utilities reported details on shareholder engagement in their 2014 proxy
  - Shareholder engagement remains much lower in the general industry, around 15% year-over-year



Source: Towers Watson Executive Compensation Resources and company proxies.

## Workforce Research

Organizations continue to face challenges attracting and retaining talent



Sources: Towers Watson 2014 Global Workforce Study, 2014 Global Talent Management and Rewards Study



## Workforce Research Attraction Drivers

Total Global Sample		Utilities	
Employer View	Employee View	Employer View	Employee View
1	Career advancement opportunities	Base pay/salary	Job security
2	Base pay/salary	Job security	Base pay/salary
3	Challenging work	Career advancement opportunities	Career advancement opportunities
4	Organization's reputation as good employer	Learning and development opportunities	Organization's reputation as good employer
5	Organization's mission/vision/values	Challenging work	Learning and development opportunities
6	Learning and development opportunities	Organization's reputation as good employer	Challenging work

Sources: Towers Watson 2014 Global Workforce Study, 2014 Global Talent Management and Rewards Study

## Workforce Research Retention Drivers

Total Global Sample		Utilities	
Employer View	Employee View	Employer View	Employee View
1	Base pay/salary	Base pay/salary	Base pay/salary
2	Career advancement opportunities	Career advancement opportunities	Length of commute
3	Relationship with supervisor/manager	Trust/Confidence in senior leadership	Career advancement opportunities
4	Manage/Limit work-related stress	Job security	Trust/Confidence in senior leadership
5	Learning and development opportunities	Length of commute	Physical work environment
6	Short-term incentives	Relationship with supervisor/manager	Job security

Sources: Towers Watson 2014 Global Workforce Study, 2014 Global Talent Management and Rewards Study

## Key Market Trends

1

### **Develop and/or re-visit Total Rewards Strategy and Employee Value Proposition to ensure continued alignment with relevant employee attraction and retention drivers**

- Get the fundamentals in place
- Focus on communication of existing HR programs
- Strengthen career management and career advancement opportunities for key employees

2

### **Review incentive plans, balancing pay for performance and the need for retention**

- Ensure understanding by plan participants
- Calibrate metrics and ensure appropriate goal-setting
- Analyze equity program delivery to ensure use of appropriate vehicles and line of sight for participants
- Consider approaches to workforce segmentation and performance differentiation

3

### **Optimize the effectiveness of shareholder disclosures to facilitate shareholder support**

- Ensure EC philosophies and programs are simple to understand
- Clearly articulate links between business performance and pay outcomes, given new SEC guidance
- Illustrate the alignment of realizable pay and performance
- Strike a balance between compliance and marketing

## Utility Industry Issues

### 1 Stagnant Energy Demands

- Utilities have been investing heavily in themselves over the past 5 years but with stagnant demand, return on equity has decreased
- Regulators have been cutting allowed returns to utilities

### 2 2015-2016 Environmental Regulations

- Closures of coal plants continues ahead of environmental regulations taking effect in 2015-2016
- Continued focus on cost reductions given demands of compliance with environmental regulations

### 3 Talent Management Key Area of Focus

- Level of turnover in the utility industry outpacing general industry given large number of employees (baby boomers) eligible or soon eligible to retire
- Retention of critical staff and development of “bench strength” is vital for utilities continued success
- Increased mobility of the workforce puts even greater pressure on the employment deal offered by utilities

## Appendix

## Appendix: Regulated Electric Utilities Financials

- The table below outlines the regulated electric utilities reviewed for this report:

Company	Ticker	Revenue (\$MM) <sup>1</sup>	Assets (\$MM) <sup>1</sup> as of FYE	Market Cap (\$MM) <sup>2</sup>
AES Corporation	AES	\$17,146	\$38,966	\$8,593
Ameren Corporation	AEE	\$5,838	\$22,676	\$9,936
American Electric Power Co., Inc.	AEP	\$17,020	\$59,633	\$26,934
CenterPoint Energy, Inc.	CNP	\$9,226	\$23,200	\$8,875
CMS Energy Corp.	CMS	\$7,179	\$19,185	\$9,132
Consolidated Edison Inc.	ED	\$12,919	\$44,308	\$17,568
Dominion Resources, Inc.	D	\$12,436	\$54,327	\$40,923
DTE Energy Co.	DTE	\$12,301	\$27,974	\$13,897
Duke Energy Corporation	DUK	\$23,427	\$120,709	\$53,038
Edison International	EIX	\$13,413	\$50,186	\$19,979
Entergy Corporation	ETR	\$12,495	\$46,528	\$13,477
Eversource Energy	ES	\$7,742	\$29,778	\$15,447
Exelon Corporation	EXC	\$27,429	\$86,814	\$27,747
FirstEnergy Corp.	FE	\$14,629	\$52,166	\$14,362
NextEra Energy, Inc.	NEE	\$17,021	\$74,929	\$43,769
NiSource Inc.	NI	\$6,471	\$24,866	\$13,151
PG&E Corp.	PCG	\$17,090	\$60,127	\$24,868
PPL Corporation	PPL	\$11,499	\$48,864	\$21,170
Public Service Enterprise Group Inc.	PEG	\$10,886	\$35,333	\$20,060
SCANA Corp.	SCG	\$4,951	\$16,852	\$7,612
Sempra Energy	SRE	\$11,035	\$39,732	\$26,462
Southern Company	SO	\$18,467	\$70,923	\$39,673
UGI Corporation	UGI	\$8,277	\$10,093	\$5,640
Wisconsin Energy Corp.	WEC	\$4,997	\$15,163	\$10,915
Xcel Energy Inc.	XEL	\$11,686	\$36,958	\$17,026
<b>25th Percentile</b>		\$8,277	\$24,866	\$10,915
<b>Average</b>		\$12,623	\$44,412	\$20,410
<b>50th Percentile</b>		\$12,301	\$39,732	\$17,026
<b>75th Percentile</b>		\$17,020	\$54,327	\$26,462

Notes:

Source: Standard and Poor's Capital IQ

1. Revenues and assets are as of 2014 fiscal year end.

2. Market cap is as of March 9, 2015.

3. Eversource Energy formerly known as Northeast Utilities