

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

In the Matter of:

| | | |
|---|---|----------------------------|
| Application Of Kentucky Power Company For |) | |
| A General Adjustment Of Its Rates For Electric |) | |
| Service; (2) An Order Approving Its 2014 |) | |
| Environmental Compliance Plan; (3) An Order |) | Case No. 2014-00396 |
| Approving Its Tariffs And Riders; And (4) An |) | |
| Order Granting All Other Required Approvals |) | |
| And Relief |) | |

**Kentucky Power Company Supplemental Response
To Commission Staff's First Set of Data Requests Item No. 49**

March 12, 2015

**KPSC Case No. 2014-00396 General Rate Adjustment
 Commission Staff's First Set of Data Requests
 Order Dated November 24, 2014
 Item No. 49
 Page 1 of 1
 Supplemental Response March 12, 2015**

Kentucky Power Company

REQUEST

Provide all current labor contracts and the most recent contracts previously in effect.

RESPONSE

There are six labor contracts currently in effect for Kentucky Power Company. Please see the table below for the list of contracts currently in effect.

| | |
|--|---|
| KPSC_1_49_Attachment1 | IBEW Local 978 Agreements with Kentucky Power for Big Sandy Plant, Hazard, Pikeville, and Ashland, respectively. Each agreement is effective March 12, 2012 through February 16, 2015. This response will be updated with the new contracts once available. |
| KPSC_1_49_Attachment2 | |
| KPSC_1_49_Attachment3 | |
| KPSC_1_49_Attachment4 | |
| KPSC_1_49_Attachment5 | IBEW Master Agreement between American Electric Power and the International Brotherhood of Electrical Workers. Includes all subsidiaries of AEP). Agreement in effect from February 17, 2012 through February 16, 2015. This response will be updated with the new contract once available. |
| KPSC_1_49_Attachment6 KPSC_1_49_Attachment7 | UWUA Locals 468 & 492 Agreement with Kentucky Power for Kammer & Mitchell Plants. The Agreement was set to expire on May 31, 2014, however was extended until May 31, 2015. Both the original agreement and extension agreement are attached. This response will be updated with the new contract once available. |

Supplemental response March 12, 2015

Please see KPSC_1_49_Attachment8.pdf for the updated IBEW Master Agreement.

WITNESS: Gregory G Pauley

Agreement

By and Between

American Electric Power

Companies: Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company, AEP Service Corporation and AEP Generation Resources, Inc.

And

International Brotherhood of Electrical Workers

**Locals: 329, 386, 696, 738, 876, 934, 978, 1002, 1392 and
1466**

Effective: February 17, 2015 – March 31, 2018

PURPOSE

The Companies and the Unions have common mutual interests in the electric utility industry. Stabilized conditions of employment improve the relationship between the Companies and the Unions and the Public. All will benefit by harmonious relations and by adjusting any differences through rational, common sense methods.

NOW, THEREFORE, to these ends and on consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

Article I

UNION REPRESENTATION

Section 1. Recognition

(a) American Electric Power Service Corporation, AEP Generation Resources, Inc., Appalachian Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, Public Service Company of Oklahoma, and Southwestern Electric Power Company, (jointly referred to as “the Companies”), the International Brotherhood of Electrical Workers, Local Unions 329, 386, 696, 738, 876, 934, 978, 1002, 1392, and 1466 (jointly referred to as “the Local Unions”), and System Council U-9 (“System Council” and, with the Companies and Local Unions, sometimes collectively referred to as the “Parties”) entered into a revised Memorandum of Understanding on June 21, 2011 (“MOU”, a copy of which is attached as an addendum), the terms and conditions of which are attached hereto and incorporated herein by reference.

(b) Through System Council U-9, the Local Unions have expressed their desire to negotiate with the Companies for a single Master Agreement (the “Agreement”), the terms and conditions of which shall apply to all of the employees who are represented by the Local Unions, while reserving certain issues to be negotiated locally in the bargaining process that heretofore has occurred at the local level and resulted in separate collective bargaining agreements (the “Local Agreements”). The Parties recognize that the change in approach to the collective bargaining process is a “permissive” subject of bargaining, as that term is used and understood by the National Labor Relations Board and the courts of the United States in construing the National Labor Relations Act, 29 U.S.C. §151, et. seq., and the Local Unions and System Council U-9 acknowledge that the Companies have voluntarily agreed to engage

in the process of negotiating this Agreement and Local Agreements as an accommodation to them.

Section 2. Union Security –KY, OH, WV

(a) Maintenance of Membership Provision

In order that employees do their part in assisting a respective Local Union to meet its obligations as a party to this Agreement, an employee hired before June 15, 2000, who on or after June 15, 2000, personally pays Union dues or authorizes Union dues deduction, may only discontinue such payments or revoke a prior authorization within the ten (10) calendar day calendar period preceding the expiration date of this Agreement. Such revocation must be in writing and must be delivered to the respective Local Union and the respective Company.

(b) Agency Fee Provision

In order that employees do their part in assisting a Local Union to meets its obligations as a party to this Agreement, an employee hired on or after June 15, 2000, shall either personally pay Union dues or authorize Union dues deductions.

(c) Failure to Pay Required Union Fees or Dues

Should any employee covered under Section (a) or (b) above fail to pay the dues or fees required as a condition of employment, the employee shall be terminated.

(d) Dues Membership

The Company agrees to deduct from the pay of each employee who executes a written authorization, an amount equal to the current respective Local Union dues as set forth in the respective Local Union By-Laws and the Constitution of the International Brotherhood of Electrical Workers. The amount of these deductions will be paid by Electronic Funds Transfer (EFT) to the Financial Secretary of the Local Union. The respective Local Unions shall notify the respective Companies of any changes in the dues amounts to be deducted.

(e) The Companies shall have no obligation to collect Union dues for any pay period in which the employee received (after all other deductions) pay less than the amount of such dues.

(f) The respective Local Unions shall indemnify and save the Companies harmless against any and all claims, demands, lawsuits or other forms of liability that may arise out of or by reason of action taken by a Company in making payroll deductions of Union membership dues as hereinabove defined.

(g) A Local Union will not (a) interfere with employees not belonging to the Union (b) use threats, intimidation, or coercion to influence employees to join the Union or (c) discriminate against any employee because of his nonmembership in the Union or (d) solicit memberships during working hours.

Section 3. Union Security – AR, IN, LA, MI, OK, TN, TX, VA

(a) Dues Membership

The Company agrees to deduct from the pay of each employee who executes a written authorization, an amount equal to the current Union dues as set forth in the Local Union By-Laws and the Constitution of the International Brotherhood of Electrical Workers. The amount of these deductions will be paid to the Financial Secretary of the Local Union. The deductions will be renewed for successive periods of one year unless revoked by written notice to the Union within ten (10) days prior to the anniversary date of the authorization or the expiration of the Agreement. The Union shall notify the Company of any changes in the dues amounts to be deducted and any changes in dues authorization for any employee.

(b) The Companies shall have no obligation to collect Union dues for any pay period in which the employee received (after all other deductions) pay less than the amount of such dues.

(c) The respective Local Unions shall indemnify and save the Companies harmless against any and all claims, demands, lawsuits or other forms of liability that may arise out of or by reason of action taken by a Company in making payroll deductions of Union membership dues as hereinabove defined.

(d) A Local Union will not (a) interfere with employees not belonging to the Union (b) use threats, intimidation, or coercion to influence employees to join the Union or (c) discriminate against any employee because of his nonmembership in the Union or (d) solicit memberships during working hours.

Section 4. Employees Off For Union Business

Union officers or representatives shall be granted permission to be absent without pay for Union conventions, and/or conferences above the Local Union level; or may be granted permission to be absent without pay for other specific Union activities, upon written request for such absence.

Should the Union request more than two (2) employees to be absent at the same time, the Company will consider such request and may permit more than two (2) employees to be absent for Union Business. However, the Company reserves the right to limit the number of employees permitted to be absent for Union Business at any one time.

Section 5. Leave Of Absence For Union Officials

(a) A maximum of two (2) employees elected or appointed to full-time union positions from each Local Union shall be granted leaves of absence for a period

of such election or appointment. The employees shall continue to accrue seniority during such leaves, and upon termination of the leaves of absence, shall be reinstated to their former positions (or the equivalent if such former positions no longer exist) provided the employees are qualified to return to work.

(b) Employees appointed pursuant to Section 5(a) above, shall be permitted to extend their medical and dental coverages for the duration of their Union leave of absence by paying 102% of plan cost.

Section 6. Organizing Conduct

The parties agree that in the event that the Union engages in organizing efforts among AEP unrepresented employees, neither party shall coerce or intimidate employees during the course of an organizing campaign. The Companies agree to refrain from negative public statements concerning the IBEW or any IBEW officer, representative or member. The Unions, its officers, representatives and employees agree not to publicly express negative comments concerning the Companies' integrity or motives including the integrity or motives of the Companies' officers, directors, agents or employees. The parties agree that all oral or written statements made during the course of an organizing campaign shall be factual.

The parties further agree that the provisions of this Section 6, shall not be subject to the Grievance and Arbitration Procedure.

Section 7. C.O.P.E .

Subject to applicable laws and upon receipt of a written authorization from an employee, the Company shall deduct from the pay due such an employee Committee on Political Education (C.O.P.E.) donations and transmit such, separately from Union dues deductions, to the Financial Secretary of each Local

Union. An employee's written authorization for the Company to deduct C.O.P.E. donations shall continue in effect for the duration of this Agreement, or until receipt by the Company of a written notice of revocation, or when the employee ceases to be represented by the Union, whichever occurs earlier.

The Company shall have no obligation to deduct C.O.P.E. donations for any period in which the employee received (after all other deductions) pay less than the amount of such donation. The Union shall indemnify and save the Company harmless against any and all claims, demands, lawsuits, or other forms of liability that may arise out of or by any reason of action taken by the Company in making payroll deductions of C.O.P.E. donations as hereinabove defined.

Section 8. Classes Of Employees

(a) Probationary employees are those employees who have not satisfactorily completed six (6) consecutive months from the date of employment and who are not hired for specific temporary jobs of limited duration. Probationary employees may be discharged, at the discretion of the Company, at any time during the probationary period; and such discharge shall not be subject to arbitration.

(b) Regular employees are those employees hired for full-time employment who have satisfactorily completed six (6) consecutive months from the date of employment and who are not hired for specific jobs of limited duration.

(c) The word "employee" or "employees" wherever used in this Agreement shall mean and refer only to those regular full-time and probationary employees who are now or hereafter in the employment of a Company and represented by a Local Union.

(d) It is agreed that a Local Union will be notified when a new employee is hired, giving the name, telephone number, address and status of the new

employee. The giving of this information must not, however, be construed as binding the Company against later changing the status of such an employee. The Local Union will also be notified of any change in an employee's status or classification.

Section 9. List Of Eligible Employees

A list will be furnished monthly to the Union showing employees in job classifications represented by the Union who have a changed address or who have been hired, reclassified, or whose employment has terminated. Such list will show the employee's classification, starting date in present classification, and date his last continuous employment with the Company commenced.

Section 10. Successorship

The Company agrees that the adoption of this Agreement will be a condition of the sale, divestiture or transfer of any facility covered by this Agreement. When the sale, divestiture, or transfer is publicly disclosed, the Company will provide the Union with relevant information concerning such transaction upon request.

Section 11. Printing Of Agreements

The Companies will furnish each Local Union with printed copies of this Memorandum of Agreement (1½ times the number of bargaining unit employees). The Union will thereafter be responsible for all distribution to employees.

Section 12. Union Orientation

When new employees are hired or employee are transferred into union represented positions, the Company will allow up to thirty (30) minutes for a

Union representative to discuss Union activities and sign the appropriate Union membership forms.

This thirty (30) minute Union orientation will normally take place during new employee orientation and the designated Union representative will not lose regular straight-time pay for this orientation. Each Local Union will designate a readily available Union representative from each location (building or service center) and provide that list to the applicable Company.

ARTICLE II MANAGEMENT AND UNION RELATIONSHIP

(a) Except as otherwise specifically limited in this Agreement, the Company has the right to exercise the regular and customary functions of management, subject, however, to the employee's privilege of bringing a grievance as provided for in this Agreement.

(b) The rights, powers, and authorities mentioned in (a) above shall include but shall not be confined to the following:

(1) The right to determine equipment to be used, the process, techniques, methods and means of operation, production, transmission and distribution, the schedules of production, schedules of working hours, standards of quality and workmanship; the right to establish, maintain and amend reasonable working rules and regulations [including safety rules, programs and regulations] and job classifications and job descriptions and the necessary qualifications for all job classifications including reasonable residency requirements of employees required to perform the work.

(2) The right to create, eliminate, modify or combine jobs; the right to assign work and contract work; the right to determine manning needs, including the number and classifications of employees to be used on specific jobs and in the general operation of the Company's business; the right to lay off employees due to lack of work or for other reasons.

(3) The authority to hire, promote, demote or transfer, assign to shifts, maintain discipline and efficiency; and the right to warn, suspend, discharge or otherwise discipline employees for justifiable reasons.

(4) The Company shall also have the right to assign or contract work to persons or organizations not represented by a Local Union. This right is limited only to the extent that it shall not be exercised when such actions directly result in the layoff or discharge of any employee covered by this Agreement. In the event of arbitration over the Company's exercise of the right set forth herein, the sole question for the arbitrator shall be whether the Company has violated the foregoing limitation.

(c) Where the rights, powers, and authorities itemized in (b) above are modified or limited by the terms and provisions of this Agreement they shall only be modified or limited to the extent specifically provided therein.

ARTICLE III COVERAGE, DURATION OF AGREEMENT

Section 1. Duration of Agreement

This Agreement, effective 12:01 a.m., February 17, 2015, except as specifically noted otherwise herein, will continue in full force and effect through March 31, 2018, and for yearly periods thereafter unless either party shall notify the other party in writing not less than sixty (60) days before any termination date of such party's desire to commence negotiations for a new contract.

Section 2. Coverage of Agreement

It is the intent of the parties that the provisions of this Agreement (meaning Master Agreement and respective Local Agreement for each individual Bargaining Unit) will supersede all prior agreements and understandings, oral or written, expressed or implied, between such parties and shall govern their entire relationship and shall be the sole source of any and all rights or claims which may be asserted in arbitration hereunder or otherwise.

The parties for the life of this Agreement hereby waive any rights to request to negotiate or to negotiate or to bargain with respect to any matters contained in this Agreement.

Section 3. Separability

If any state or federal legislation, court decision or government regulation invalidates any article or section of the Agreement, all other articles and sections not invalidated shall remain in full force and effect. Within thirty calendar days, the Company and Union shall meet to negotiate new contract language to replace the article or sections, which have been invalidated.

ARTICLE IV

MUTUAL RESPONSIBILITIES

(a) There shall be no strikes, work stoppages, slow-downs, sit-downs, sympathy strikes, picketing, failures to cross any picket line or other forms of interference with production or interruption of production for any reason during the life of this Agreement or extension thereof, except as may be provided in Article VIII, Section 1 of this Agreement. This prohibition shall apply to each Local Union, and their subordinate bodies, and to each employee. The Companies shall not engage in a lockout of its employees during the life of this Agreement.

(b) Each Local Union, and their subordinate bodies, shall not sanction, aid or abet, encourage or continue any strike, work stoppage, picketing, failure to cross any picket line or other interference or interruption of production during the life of this Agreement or extension thereof, and shall undertake by all possible means to prevent or to terminate any such activity. Any employee who participates in or encourages any activities which interfere with production or interrupt production during the life of this Agreement or extension thereof shall be subject to disciplinary action, including discharge. In the event of any interference with or interruption of production, the Local Union will immediately instruct, order and use its best efforts to cause the Union and their subordinate bodies and the employees to cease violating this Article. In the event that either party believes that a violation of this Article has occurred, that party shall notify the Director of the Federal Mediation and Conciliation Service (FMCS) of its belief. Upon receipt of such notification, the FMCS will immediately designate an arbitrator, who shall hold a hearing as soon as practicable. This hearing shall begin within seventy-two (72) hours after receipt of such notification by the FMCS. The sole issue at the hearing shall be whether a violation of this Article has occurred. The arbitrator in holding such hearing shall have no authority to consider any factor in justification, explanation or mitigation of a violation of this Article. There shall be no adjournment or continuance of the hearing, and the arbitrator shall issue his

award at the conclusion of the hearing. The award of the arbitrator pursuant to this Article may be enforced by either party, if necessary, in a court proceeding and the Parties hereby waive any rights inconsistent with this procedure.

(c) Any employee disciplined under this Article shall have the right to grieve such discipline under Article XI and if such grievance is taken to arbitration under Article XI, to have the arbitrator determine if such discipline is appropriate.

(d) Provided that the Company reserves the right not to invoke the procedures of this Article if the crossing of a specific picket line would expose an employee to injury.

(e) The right to strike by employees represented by the Local Unions shall be governed by the following schedule and under the following circumstances:

1. For purposes of this provision, the Expiration Date shall be defined as the occurrence of any one of the following three events:
 - i. the date upon which the Agreement has expired because either the Companies or the System Council has served written notice of their/its intent to not renew the Agreement;
or
 - ii. the Parties attempt to renew the Agreement but, having satisfied the notice requirements set forth in Section 8(d) of the National Labor Relations Act, are unable to reach agreement on terms and conditions for a new Agreement by the time that the Agreement expires; or
 - iii. the Parties agree to open negotiations during the term of the Agreement for one or more issues and are unable to reach agreement on that issue(s).

2. In the event that the Parties reach the Expiration Date of the Agreement, the right to strike by bargaining unit employees shall occur at 12:01 a.m. on the day following the date reflected below:

| <u>Strike Date</u> | <u>Local Union</u> | <u>Bargaining Unit</u> |
|----------------------------|--------------------|------------------------|
| Expiration Date | 1002 | PSO |
| Expiration Date | 876 | Three Rivers |
| Expiration Date | 1392 | Ft. Wayne |
| Expiration Date | 1392 | Muncie |
| Expiration Date | 1392 | Michiana/MHG |
| Expiration Date | 1392 | Transmission – IN |
| Expiration Date | 1392 | SMG Station – IN |
| Expiration Date + 3 months | 978 | Beckley |
| Expiration Date + 3 months | 978 | Charleston |
| Expiration Date + 3 months | 978 | Fieldale |
| Expiration Date + 3 months | 978 | Huntington |
| Expiration Date + 3 months | 978 | Logan |
| Expiration Date + 3 months | 978 | Lynchburg |
| Expiration Date + 3 months | 978 | Point Pleasant |
| Expiration Date + 3 months | 978 | Ripley |
| Expiration Date + 3 months | 978 | Roanoke |
| Expiration Date + 3 months | 978 | Roanoke RDC |
| Expiration Date + 3 months | 978 | Clinch River |
| Expiration Date + 3 months | 978 | Glen Lyn |
| Expiration Date + 3 months | 978 | Hydro – South |
| Expiration Date + 3 months | 978 | Kanawha River |
| Expiration Date + 3 months | 978 | Big Sandy |

| <u>Strike Date</u> | <u>Local Union</u> | <u>Bargaining Unit</u> |
|-----------------------------|--------------------|--|
| Expiration Date + 6 months | 1392 | Cook RPEC Techs |
| Expiration Date + 6 months | 329, 386, 738 | SWEPCO |
| Expiration Date + 6 months | 1466 Unit 3A | Ohio Power Company AEP Service Corporation |
| Expiration Date + 6 months | 1466 Unit 3B | AEP Generation Resources, Inc. AEP Service Corp. |
| Expiration Date + 9 months | 978 | Ashland |
| Expiration Date + 9 months | 978 | Hazard |
| Expiration Date + 9 months | 978 | Pikeville – Revenue |
| Expiration Date + 9 months | 1392 | Cook – Maintenance |
| Expiration Date + 12 months | 934 | Kingsport |
| Expiration Date + 12 months | 696 | Steubenville |
| Expiration Date + 12 months | 1392 | Cook – Stores |
| Expiration Date + 12 months | 1466-2 | Newark, Lancaster, Zanesville |
| Expiration Date + 12 months | 1466-1 | Transmission – OH |

3. In the event that, pursuant to Article IV, Section (e)(1)(i) of this Agreement, either the Companies or the System Council serves written notice of their/its intent to not renew the Agreement, representatives from the Companies and the Local Unions shall begin to conduct negotiations for each of the bargaining units in the manner described in Paragraph 7 of the MOU. The negotiations shall begin, where practicable, prior to the Expiration Date.

ARTICLE V

WORK HOURS, SCHEDULES, SHIFTS, OVERTIME

Section 1. Work Day and Work Week

For payroll accounting and record purposes only:

(a) The workweek shall consist of seven (7) consecutive calendar days starting and ending at midnight on a day designated by the Company, or the starting or quitting time of a shift that overlaps the day so designated as determined by the Company.

The Company shall give fourteen (14) calendar days advance notice of any change in the designated payroll workweek.

(b) The workday shall be the period of twenty-four (24) hours starting and ending at midnight, or the starting or quitting time of a shift that overlaps midnight as determined by the Company.

Section 2. Work Schedules

The scheduling of employees' daily and weekly working hours, including the scheduling of employees to work more or less than eight (8) hours in a workday or forty (40) hours in a workweek, shall be determined solely by the Company. However, to the extent practicable, work schedules shall include consecutive workdays of between eight (8) and twelve (12) consecutive hours (exclusive of an unpaid lunch period where provided by the Company) and workweeks of between thirty-two (32) and forty-eight (48) hours. This Section 2 shall not be construed as a guarantee of hours of work or pay.

Section 3. Overtime

(a) The Company shall be the sole judge as to the necessity for overtime work. Employees shall make themselves reasonably available for overtime assignments and overtime work as a condition of employment.

(b) One and one-half (1½) times an employee's regular straight-time rate shall be paid for all time worked outside of his assigned schedule, or for all hours worked in excess of forty (40) hours per workweek except as otherwise herein provided.

(c) An employee shall be paid at one and one-half (1½) times his regular straight-time rate of pay for hours worked on his scheduled days off within the workweek except as provided in a Local Agreement.

(d) In all work locations, the Company agrees to make overtime records available to the Union upon request.

(e) Employees who are normally subject to overtime shall have a telephone or a telephone contact.

Section 4. Shift, Sunday Premiums

(a) Premiums shall be paid on scheduled shifts of classified jobs in accordance with the following schedule in addition to the regular straight-time hourly rates. (Exception: Cook Nuclear Plant bargaining units shift/Sunday premiums are addressed in the respective Local Agreements)

| Premium | Definition of | Cents Per Hour |
|----------------|---|-----------------------|
| Day Shift. | Where the majority of the scheduled hours worked are as designated in Local | 0.0¢ |

Agreements.

| | | |
|------------------|---|--------|
| Afternoon Shift. | Where the majority of the scheduled hours worked are as designated in Local Agreements | 80.0¢ |
| Night Shift. | Where the majority of the scheduled hours worked are as designated in Local Agreements | 85.0¢ |
| Sunday. | Where the majority of the scheduled hours worked are as designated in Local Agreements. | \$1.10 |

(b) Where a shift overlaps from one day into another the shift shall be paid for at the rate pertaining to the day in which the majority of its hours fall.

(c) The Sunday premium is in addition to the employee's straight-time rate and any applicable shift premium, but this Sunday premium will not apply to any hours for which an employee is paid at a rate equal to or in excess of one and one-half (1½) times his regular straight-time rate.

(d) If during the course of a regularly scheduled workweek, an employee is paid Afternoon or Night Shift premium in addition to his regular straight-time hourly rate

and such employee also works overtime, the hourly rate for the overtime work shall include the following increments:

- Where the majority of the employee's shift premium hours during the work week were paid at the Afternoon Shift rate - 80.0¢
- Where the majority of the employee's shift premium hours during the work week were paid at the Night Shift rate - 85.0¢

(e) Shift differentials shall be added to employee's rate of pay prior to application of overtime rates.

Section 5. Shift Trades

Subject to the approval of the Company, employees in the same job classification may be permitted to interchange work days or hours within a workweek, if the employees making the exchange are both qualified and agreeable and such exchanges shall not require the Company to pay either employee involved overtime or other premium rates of pay for hours worked.

Section 6. Non-Pyramiding Of Premiums Or Benefits

When two or more types of overtime or premium pay provisions of this Agreement are applicable to the same hours worked, the single provision which results in the greater benefit to the employee shall apply. When two or more pay provisions for time not worked are applicable to the same hours not worked, the single provision which results in the greater benefit to the employee shall apply.

Section 7. Major Service Restoration

(a) The Company, at its sole discretion, may invoke the following “major service restoration” provisions:

(1) When an employee is assigned to service restoration work he shall be paid one and one-half (1-1/2) times his regular straight- time rate for all hours worked.

(For employees in the district affected, the MSR pay provisions become effective with the end of the 24th hour. For employees sent in from outside the affected district for a declared or anticipated MSR declaration, the MSR pay provisions become effective when they depart in a vehicle to travel to the affected district.)

(2) When an employee is assigned to service restoration work assisting other utilities outside of the AEP System properties, he shall be paid two (2) times his regular straight- time rate for all hours worked.

(For employees sent to assist other utilities, the MSR pay provisions in this Section 7(a)(2) become effective when they depart in a vehicle to travel to the affected utility.)

(3) When an employee is released from work he shall have eight (8) hours off duty time prior to being required to return to work.

(4) When the Company assigns an employee to return to his regular work and/or schedule the above “major service restoration” provisions shall no longer apply.

(b) In the event of arbitration over the Company’s rights set forth in the “major service restoration” provisions, the sole question for the arbitrator shall be whether (a) (1), (2), (3) and (4) above have been properly applied.

(c) The provisions of this Article V, Section 7, shall not be applicable to employees in the Fossil/Hydro or Nuclear Generation Groups.

(d) In the event that an employee is called between Midnight and the start of the employee's regularly scheduled shift and asked to pack clothing for an MSR out-of-town assignment and the out-of-town assignment is subsequently cancelled, the employee shall receive the applicable minimum callout pay.

ARTICLE VI
HOLIDAYS and PAID PERSONAL HOLIDAYS

Section 1. Holidays

The following days shall be recognized as holidays:

New Year's Day
Good Friday
Memorial Day (last Monday in May)
Independence Day
Labor Day
Thanksgiving Day
The Day after Thanksgiving
Christmas Eve
Christmas Day
Three (3) Personal Days Off

The Christmas Eve and Christmas Day holidays will be observed as follows:

Christmas is on:

Holidays observed on:

| | |
|-----------|--------------------|
| Sunday | Friday, Monday |
| Monday | Friday, Monday |
| Tuesday | Monday, Tuesday |
| Wednesday | Tuesday, Wednesday |
| Thursday | Thursday, Friday |
| Friday | Thursday, Friday |
| Saturday | Thursday, Friday |

With the above exception of the Christmas holidays, when a holiday falls on a Saturday it will be observed on the preceding Friday, and when it falls on a Sunday, it will be observed on the following Monday.

When an employee who has been notified to work on a holiday does not work, he shall receive no pay for such holiday unless excused from work by the Company.

When an employee is absent from work on scheduled days immediately before or after a holiday, he shall receive no pay for such holiday unless excused from work by the Company.

If one of the days observed as one of the recognized holidays listed above falls during the vacation period of any employee, the holiday will be observed in accordance with the provisions of this Article VI, and the amount of his vacation entitlement shall not be reduced thereby.

Section 2. Personal Days Off

Each regular employee will be granted three (3) Personal Days Off [eight (8) hours each, twenty-four (24) hours total] during each calendar year on the following basis:

1. The days to be observed as the Personal Days Off must not be Company-recognized holidays and must be regularly scheduled work days for the employee.
2. Requests for a Personal Day Off are subject to the approval of the employee's immediate supervisor.
3. If an employee does not observe his Personal Days Off prior to December 31, they shall be forfeited and no additional compensation will be paid in lieu thereof.
4. If an employee terminates his employment with the Company before he has observed his Personal Days Off, he

shall be deemed to have forfeited such Personal Days Off,
and no additional compensation will be paid in lieu thereof.

Article VII VACATIONS

Section 1. Service and Vacation Eligibility

For the purposes of this Article, service shall be defined as the length of continuous employment as a probationary or regular employee in any part of the American Electric Power System, Ohio Valley Electric Corporation or Indiana-Kentucky Electric Corporation including credit for prior periods of employment as a probationary or regular employee with any American Electric Power System affiliated Company.

Section 2. Vacation Entitlement

(a) Vacation entitlement shall be as set forth in the following table:

| <u>Service Requirement</u> | <u>Hours of Vacation</u> |
|-------------------------------|--|
| In the calendar year of hire: | 8 hours for each full month of service with a maximum of 80 hours. |

- On January 1st of the calendar year in which the following service will be obtained:

| | |
|--------------------|-----------|
| 1 year of service | 80 hours |
| 2 years of service | 88 hours |
| 3 years of service | 96 hours |
| 4 years of service | 104 hours |

| | |
|------------------------|-----------|
| 5-6 years of service | 120 hours |
| 7-8 years of service | 128 hours |
| 9-10 years of service | 136 hours |
| 11-12 years of service | 144 hours |
| 13-14 years of service | 152 hours |
| 15-23 years of service | 160 hours |
| 24 years of service | 200 hours |

(b) Vacation for employees rehired and credited with prior employment as set forth in Section 1(a) above shall be in accordance with the table in Section 2(a) above, except that entitlement in the year of rehire will be pro-rated for the remaining months of the year rounded up to the next whole hour. However, the pro-rated vacation allowance for a rehired employee shall not be less than that of a new employee hired on the same date.

(c) In the calendar year of hire, rehire or return from leave of absence, if an employee is employed or returns from leave on or before the 15th of a month, the month will be counted as a full month for determining vacation entitlement in the following month. If an employee is hired or returns from leave on or after the 16th of a month, the month would not be counted.

Section 3. Vacation Pay

Vacation pay is at the employee's regular straight-time rate.

Section 4. Vacation Entitlement Upon Returning From Leave

Vacation entitlement for an employee returning from a Leave of Absence shall be based on the total years of service in the year of return from leave in accordance with the table in Section 2(a) above. However, the entitlement for vacation in the year of return will be pro-rated for the remaining months of the year rounded up

to the next whole hour. In no case will the pro-rated vacation entitlement for an employee returning from leave be less than that of a new employee hired on the same date.

The provisions of this Section 4 will not apply to an employee returning from Military Leave, paid FMLA Leave or Sick Pay. Such returning employees will receive the full entitlement in accordance with the table in Section 2(a) above.

Section 5. Vacation Pay Upon Termination or Layoff

(a) When an employee retires, is removed from the payroll, terminates his employment, or is laid off, the Company will either give the employee his vacation that he would be entitled to take during that year prior to the termination of his employment or, in lieu of vacation, pay to the employee as of the date of termination of his employment, the amount of vacation pay that the employee would have received if he had taken his vacation during the period of his employment with the Company.

(b) When an employee dies or retires from the Company, the Company will pay the employee or the employee's designated beneficiary, the pro rata part of the vacation he has earned during the year in which he dies or retires. The provisions of this Section 5(b) only apply to employees who were AEP employees prior to January 1, 2000, and are not applicable to any employee who became an AEP employee or was hired or rehired after January 1, 2000.

(c) In case an employee is laid off and later is recalled, the following shall apply:

(1) If he is recalled during the same calendar year as that in which he was laid off, he will be entitled to receive in the next calendar year the full vacation entitlement in accordance with the table in Section 2(a) above.

(2) If he is recalled after the calendar year in which he was laid off, he will be entitled to receive in the calendar year in which he is recalled, pro-rated vacation for the remaining months of the year rounded up to the next whole hour. In no case will the pro-rated vacation entitlement for an employee returning from layoff be less than that of a new employee hired on the same date and in the following calendar year he shall receive vacation in accordance with the applicable provisions of this Article VII.

Section 6. Vacation Deferral

An employee with 23 years of service or less may defer from eight (8) to eighty (80) hours of vacation entitlement from year-to-year into a "deferral bank"; however, the "deferral bank" cannot exceed a maximum of eighty (80) hours. An employee with 24 years of service or more may defer up to one-half ($\frac{1}{2}$) of his vacation entitlement from year-to-year; however, the "deferral bank" cannot exceed a maximum of one hundred (100) hours. Such "deferral bank" vacation entitlement is subject to the same scheduling criteria as the regular vacation entitlement.

Section 7. Vacation Pay – Converting Unpaid Time Off

(a) An employee may elect to utilize hours of vacation entitlement by requesting that they be applied toward converting unpaid time off on a holiday to paid time off. This Section 7 shall be applicable only to employees regularly scheduled to work in excess of eight (8) hours per day.

Section 8. Vacation Buy Program

(a) Effective January 1, 2015, employees will be allowed to purchase up to five (5) additional vacation days (40 hours maximum) per calendar year.

Vacation purchased must be in whole day increments up to a maximum of 40 hours total. Any vacation purchased shall be in addition to the employee's vacation entitlement in accordance with the table in Section 2(a) above and any deferred vacation carried over in accordance with Section 6 above.

(b) The cost of any purchased vacation hours shall be calculated based on the employee's January 1st pay rate and such cost will be deducted from each paycheck on a before-tax basis over the calendar year.

(c) Such "purchased" vacation entitlement is subject to the same scheduling criteria as the employee's regular and deferred vacation entitlement except that the employee's regular annual vacation entitlement and any deferred vacation entitlement must be utilized prior to using any purchased vacation. Any purchased vacation entitlement shall be used in the year in which it was purchased and no deferral of "purchased" vacation entitlement shall be allowed.

(d) Employees who terminate employment prior to using purchased vacation will be issued a refund for the amount already paid.

Employees who terminate employment who have taken "purchased" vacation but not fully paid for the "purchased" vacation shall reimburse the Company.

Employees who have their "purchased" vacation canceled for business reasons and are unable to reschedule such vacation will be reimbursed for the amount paid.

Employees who have purchased vacation and have not had the opportunity to utilize the "purchased" vacation will, in December, be offered the opportunity to be reimbursed for the amount paid in during the calendar year.

ARTICLE VIII
COMPENSATION AND WAGES

Section 1. Wage Agreements

The parties hereto have agreed upon wage rate schedules apart from this Agreement (which are in writing and bear their signatures), which wage rate schedules shall remain in effect for the duration of this Agreement.

For purposes of this Article VIII, the annual general wage increase effective dates of the respective Wage Agreement for each Local Bargaining Unit are:

| <u>Local Union</u> | <u>Bargaining Unit</u> | <u>Effective Date</u> |
|--------------------|---|-----------------------|
| 978 | Beckley, Charleston, Fieldale, Huntington, Logan, Lynchburg, Point Pleasant, Ripley, Roanoke, Roanoke RDC, Clinch River, Glen Lyn, Hydro – South, Kanawha River | April 1 |
| 1392 | Cook – Maintenance, Cook – Stores, Cook RPEC Techs | April 1 |
| 934 | Kingsport | April 1 |
| 978 | Ashland, Hazard, Pikeville – Revenue, Big Sandy | May 1 |
| 696 | Steubenville | July 1 |
| 1466-2 | Newark, Lancaster, Zanesville | July 1 |
| 1466-1 | Transmission – OH | July 1 |
| 1466 | Unit 3A | July 15 |

| <u>Local Union</u> | <u>Bargaining Unit</u> | <u>Effective Date</u> |
|--------------------|--|-----------------------|
| 1466 | Unit 3B | July 15 |
| 329, 386, 738 | SWEPCO | September 1 |
| 1002 | PSO | October 1 |
| 876 | Three Rivers | November 1 |
| 1392 | Ft. Wayne, Muncie, Michiana/MHG, Transmission - IN, SMG Station - IN | November 1 |

Section 2. Job Descriptions

The nature of the work involved under each job classification shall be defined by the Companies. Job descriptions for all job classifications covered by this Agreement may be prepared by a Company and when such descriptions are prepared, they shall be made available to the respective Local Union.

Section 3. Pay Period

All employees covered by this Agreement shall be paid bi-weekly.

ARTICLE IX MISCELLANEOUS

Section 1. Jury Duty

An employee serving on jury duty shall be paid his regular straight-time rate of pay for time necessarily lost from his regular scheduled workweek as a result of such jury duty. An employee will not be required to report to work prior to reporting for jury duty on any day on which he serves as a juror, but if he is relieved from jury duty during his regular scheduled hours he may be required to report to work when so released in order to be entitled to pay under this Section.

If an employee's regular schedule includes a shift or shifts other than a day shift, his shift may, at the Company's discretion, be changed to a day shift effective with the first day of jury duty. When an employee is relieved from jury duty, he may be returned to the shift and/or schedule to which he was assigned before he was changed to a day shift. Shift changes for the purposes of this paragraph shall not be subject to the shift and/or schedule modification provisions in the respective Local Agreements.

During workweeks regularly scheduled to exceed forty (40) hours, hours of absence under this Section shall be regarded as hours worked for the purpose of computing an employee's entitlement to weekly overtime.

Section 2. Funeral Leave

(a) In the event of death of the father or stepfather, mother or stepmother, brother, sister, husband, wife, domestic partner, child, father-in-law, mother-in-law, son-in-law, daughter-in-law, a stepchild who is or has been a member of the employee's immediate household, or a member of the employee's

immediate household, he shall receive, by notifying his supervisor, up to a maximum of three (3) regular scheduled days off without loss in regular straight-time pay during the period beginning with the day of death, and up to and including the day following the funeral.

(b) In the event of death of an employee's sister-in-law, brother-in-law, grandchild, or his grandparents, the employee, by notifying his supervisor, will be given one (1) day off without loss of regular straight-time pay on the day of the funeral to attend the services.

(c) If an employee serves as an active pallbearer for a deceased active employee or retired employee, he will be given reasonable time off from work without loss of regular straight-time pay on the day of the funeral.

(d) The intent of the above provisions is to permit an employee to take time off from work to make arrangements for the funeral and/or attend the service without loss in regular straight-time pay as outlined above. Additional time off without pay will be granted whenever such additional time is reasonably required by the employee.

(e) The provisions of these sections covering absence for death in immediate family will apply within the time limits of an employee's scheduled vacation or Personal Day(s) Off but not when the employee is off duty due to illness or injury or for any other reason except should a Company observed holiday occur during the period beginning with the day of the funeral, the employee will receive holiday pay for such day. The payment of holiday pay for such day will not affect nor reduce the other pay provisions covered by the above paragraph (a).

Section 3. Retrogression of Employees

An employee who becomes physically incapacitated for his regular work may be placed in any available job covered by this Agreement which he can do without regard to the seniority provisions of this Agreement and his rate of pay will be determined according to the rate of pay for the job classification in which he is placed.

(a) Applies to employees retrogressed to a job classification which provides for time step increases:

If such employee has less than fifteen (15) years of service, his rate of pay will be: [1] The top rate of pay for the classification in which he is placed provided his former rate is equal to or exceeds the top rate of the new classification, or [2] the rate immediately below his former rate provided his former rate is less than the top rate of the new classification, or [3] the beginning rate of the new classification provided his former rate is less than the beginning rate of the new classification.

If such an employee has fifteen (15) or more years of service, he will receive the maximum rate of pay for the job classification in which he is placed, plus a percentage of the difference between his former rate of pay and such maximum for the new job classification. Such percentage will be twenty (20) percent for fifteen (15) years of service and increased by three and three-fourths (3 3/4) percent for each additional year of service, but not to exceed in total seventy-six (76) percent of such difference.

An employee with fifteen (15) or more years of service who is retrogressed due to disability resulting from occupational illness or injury arising out of the course of his employment with the Company shall receive the maximum rate of the job classification in which he is placed plus twenty (20) percent of the difference between his former and new rates. Further, such retrogressed employee shall receive an additional five (5) percent of the difference between his

former and new rates for each additional year of service over fifteen (15), up to a maximum equaling his former rate.

As long as such employee is paid more than the maximum rate for the job classification in which he is placed, he shall receive only fifty (50) percent of any general wage increase, such fifty (50) percent to be calculated on his personal rate.

(b) Applies to employees retrogressed to a job classification included in the salary plan for nonexempt salaried employees:

If the disabled employee has less than fifteen (15) years of service, his initial rate of pay upon retrogression will be: [1] the midpoint of the salary range for the job classification in which he is placed, provided his former rate of pay is equal to or is more than the midpoint of the salary range for his new classification, or [2] his former rate of pay provided such former rate is less than the midpoint of the salary range for his new classification, or [3] the minimum of the salary range for his new job classification, provided his former rate of pay is less than the minimum of the salary range for his new job classification.

If such an employee has fifteen (15) or more years of service, he will receive the midpoint of the salary range for the job classification in which he is placed, plus a percentage of the difference between his former rate of pay and such midpoint for the new job classification. Such percentage will be twenty (20) percent for fifteen (15) years of service and increased by three and three-fourths (3 3/4) percent for each additional year of service, but not to exceed in total seventy-six (76) percent of such difference.

An employee with fifteen (15) or more years of service who is retrogressed due to disability resulting from occupational illness or injury arising out of the course of his employment with the Company shall receive the midpoint of the

salary range for the job in which he is placed plus twenty (20) percent of the difference between his former and new rates. Further, such retrogressed employee shall receive an additional five (5) percent of the difference between his former and new rates for each additional year of service over fifteen (15), up to a maximum equaling his former rate.

Salary adjustments after retrogression shall be in accordance with the salary plan, except that as long as such employee is paid more than the maximum of the salary range for the job classification in which he is placed, he shall receive only fifty (50) percent of any salary range structure movement, such fifty (50) percent shall be calculated on his personal rate.

(c) Such an employee may be provided the above opportunity only with approval of Company management in respect to his ability to perform the job in question.

(d) Where an employee was receiving an Alternate Straight-Time Rate immediately prior to his retrogression, his former rate of pay will be determined by reference to such Alternate Straight-Time Rate only in the event his new job is paid at an Alternate Straight-Time Rate.

(e) Employees incapacitated due to willfully self-inflicted injury, self-employment or employment by others for remuneration, or injured in the commission of a felony shall not be eligible for a position under this section. The Human Resources Department will notify the Local Union when an employee is placed on retrogression.

(f) An employee retrogressed under this Section 3 shall retain his seniority in the classification from which he was retrogressed for a period of two (2) years or a period equal to his Company seniority at the time of his retrogression, whichever is less.

(g) Should a retrogressed employee recover from the disability during the period in which he has retained seniority [as provided in paragraph (f) above] to the extent that he is considered by the Company to be qualified to perform the normal duties of the job classification from which retrogressed, he shall be returned to such job provided his retained seniority is sufficient to displace an employee in the job classification from which retrogressed. The Company may require medical evidence on which to make its consideration.

Section 4. Non- Discrimination

There shall be no discrimination, interferences, restraint or coercion by the Company or its agents or the Union or its agents against any employee because of such employee's race, religion, color, sex, age, national origin, disability, or status as a Military Veteran. Whenever the masculine gender is used in this Agreement, it shall be deemed to include the masculine and feminine gender.

Section 5. Union Bulletin Boards

The Company agrees to permit the Union to erect bulletin boards in conspicuous locations to be agreed upon by the parties hereto, and the Union shall make no postings elsewhere on Company property. Only the following types of notices, provided they are not of a political, commercial, or inflammatory nature, may be posted after they are signed by an authorized officer of the Union: (a) notices of recreational or social affairs of the Union, or (b) notices of Union elections and appointments, or (c) notices of business meetings of the Union.

Section 6. Fire Retardant Clothing

Employees who are required to wear fire retardant ("FR") clothing in the performance of their job duties will be allowed to participate in the Company's

Fire Retardant Clothing Allowance Program. The Company, at its sole discretion, may choose to provide FR protective clothing to employees whose job assignment requires the use of FR clothing for specific jobs.

Section 7. Training

The Company will be responsible for training all newly hired employees in the operations and safety issues of their jobs. Employees accept the responsibility to actively participate in the training and learn the skills required to operate efficiently and safely.

In an effort to enhance Line Mechanic training through the collaborative input of the Union(s), the parties agree to actively explore the establishment of Apprenticeship Program(s) that may be registered with the applicable Federal or State Bureau of Apprenticeship and Training. The purpose of this effort is to provide the Union(s) an advisory role in the development of Line Mechanic training. Such program(s) shall not involve the creation of required numeric ratios of apprentices to journeymen and shall be otherwise in compliance with the terms and conditions of this Agreement or any associated local Agreement.

Section 8. Safety

(a) In such organizational units as the Company determines, the management of the Company shall meet with a Union safety committee, consisting of three members (upon mutual agreement of the parties additional employees may be added), for that unit for the express purpose of receiving suggestions and comments from the Union regarding the Company's safety program. Upon receipt of a written request from the Union, along with an agenda, a meeting shall be scheduled by the Company at quarterly intervals, as needed. The meetings shall be held during normal working hours, and the members of the Union safety committee shall not suffer a loss of their regular straight-time

earnings while attending the meetings.

(b) In the event of a serious accident involving an employee within the bargaining unit, the Company will notify the Business Manager of such and when the Company's Accident Investigation Committee investigates an accident involving an employee within the bargaining unit, at the employee's request, a Union representative or another employee of his choosing who is readily available from the employee's regular headquarters may be present during such interview without loss of regular straight-time earnings.

Section 9. Medical Examinations

The Company reserves the right to require at its own expense, medical examinations and/or tests, including random and/or other drug tests, of any employee. The examined employee, upon his request, shall be furnished with a copy of the medical report.

Section 10. Personal Vehicle Use

When an employee is not furnished transportation by the Company and, at the request of management, furnishes his own transportation in the performance of his assigned duties, he shall be paid according to the applicable job site reporting or travel pay provisions of his applicable Local Agreement. However, at the option of the employee, provided the employee submits the required proof of insurance, an employee furnishing his own transportation for trips over 30 miles from his regular headquarters may be paid the authorized mileage amount in lieu of any job site reporting or travel pay provisions provided in his applicable Local Agreement.

Section 11. Licenses And Certifications

(a) Each employee who may be required to operate a motor vehicle which requires a Commercial Driver's License (CDL) shall maintain a valid CDL.

(b) The Company shall pay the cost of the Department of Transportation CDL physical examination and reimburse the employee for the difference between the full cost of the CDL and the cost of a regular State driver's license.

(c) If the Company deems it necessary to require any new license or certification as a condition of employment, the Company will meet with the Union to discuss the certification or licensing requirements and consider the Union's request for grandfathering an employee who holds the classification that requires the license or certification. This provision does not apply to licenses or certifications required by any governmental agencies or industry oversight groups.

(d) An employee in a position which requires the maintenance of a valid Commercial Drivers License and who has such license suspended or revoked by reason of a non-work related first offense for driving under the influence of either alcohol or unlawful drugs shall be treated as follows. First, he shall be accommodated with non-driving duties for the first 60 days following such suspension or revocation. Thereafter, he shall be permitted to use any remaining vacation entitlement. Upon the expiration of the 60-day accommodation period and the use of any available vacation, he shall be placed on an unpaid leave of absence, which shall not exceed 18 months. If his Commercial Drivers License is reinstated during the 18-month leave of absence, he will be permitted to return to his former classification or any other classification for which he is qualified, provided there is a vacancy.

If the employee's Commercial Driver's License is not reinstated within the 18-month period, or he incurs a second suspension or revocation, his employment will be terminated.

Section 12. Employee Leave of Absence

When the Company's business conditions permit, an employee may be granted a leave of absence for a period not exceeding one (1) year, during which he shall continue to accumulate seniority; provided, however, that for a cause determined sufficient by the Company such leave may be granted for not more than one (1) additional year. No leave may be granted for an employee to take employment elsewhere during such leave, except for employment arranged by or consented to by the Company.

All leaves of absence shall be issued in writing and state the conditions thereof. A copy of such leave shall be kept on file by the Human Resources Manager and a copy furnished to the employee and a copy to the Union.

Section 13. Moving Expense

When it is deemed necessary by the Company and the employee agrees to move to a new residence, the Company shall furnish an insured carrier in the moving business to transport the employee's household articles, furniture and such personal effects as may be necessary to be packed with the household articles and furniture to the new address.

In the event that such employee cannot immediately find a suitable location to which to move his/her family, the Company will pay only the employee's individual reasonable living expenses at his/her new headquarters for a period not to exceed fourteen (14) calendar days.

The section above will only apply when an employee's headquarters is changed at the request of the Company. That is, when an employee initiates a change of headquarters under the provisions of an applicable Local Agreement, the Company will not be required to pay either moving or living expenses.

ARTICLE X

BENEFITS

Section 1. Employees shall be permitted to participate in the American Electric Power System Comprehensive Dental Plan, Comprehensive Medical Plan [or alternate medical coverage such as a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO) should such be made available by the Company], Spending Accounts, Group Accidental Death and Dismemberment Insurance Plan, Group Life Insurance Plan, Dependent Life Insurance Plan, Dependent Care Plan, Long Term Care Plan, Long Term Disability Plan, Retirement Plan, Retirement Savings Plan and Sick Pay Plan.

(b) As set forth in the above-named Plans or the Summary Plan Description (SPD) with respect thereto, the Company reserves the right to change or end any of the Plans, in whole or in part, at any time or for any reason, which could result in modification or termination of the benefits available to employees, former employees, retirees or other participants. The Company's decision to amend, replace or terminate any Benefit Plan may be due to changes in Federal or State law or for any other reason. If the Company does make a change or decides to terminate a Plan, it may decide to set up a different Plan for similar-type benefits. If a Benefit Plan is terminated, no further benefits will be available except for losses or expenses incurred before the Plan was terminated. Any changes made to the above-named Plans will apply to all Company employees participating in the Plans, including not only IBEW-represented employees of the Company, but also employees represented by other Unions, and all unrepresented employees.

(c) With respect to any individual hired on or after January 1, 2014 who is covered by this Agreement, it is agreed and understood that such employees will not be eligible for retiree medical insurance coverage under any plans now in effect and offered by American Electric Power.

Section 2. (a) Employees shall be permitted to participate in the American Electric Power Company wide Incentive Plan (CIP).

(b) Employees shall be permitted to participate in the American Electric Power Paid Parental Leave Plan.

Section 3. An IBEW represented employee on the payroll on February 17, 2009, will have a one-time Layoff Allowance Bank (up to a maximum of 1040 hours) as of February 17, 2009.

The Layoff Allowance Bank entitlement shall be as set forth in the following table:

| <u>Years of Service</u> | <u>One Time Layoff Allowance Bank</u> |
|-------------------------|---------------------------------------|
| Less than 5 years | 816 hours |
| 5 through 7 years | 928 hours |
| 8 or more years | 1040 hours |

Should an employee be laid off, this bank will be payable in bi-weekly installments equal to the employee's regular straight-time rate for eighty (80) hours per two-week period less any unemployment compensation entitlement and by any other income earned in the course of other employment, including self-employment. The Layoff Allowance Bank will be reduced by forty (40) hours per week of layoff regardless of the unemployment compensation offset or other earnings offset. This one-time Layoff Allowance Bank will be available to the employee regardless of the number of times the individual is laid off. However, the total number of Layoff Allowance hours available shall not exceed the original Layoff Allowance Bank established on February 17, 2009 and such Bank shall not be renewable.

The parties further agree that the provisions of this Section 3 shall not be subject to the Grievance and Arbitration Procedure.

Section 4. VEBA

Should the Company fund medical and health care benefits for employees and retirees by establishing a tax-exempt trust in compliance with the provisions of any federal law or regulation, upon request, the Company shall provide to the Unions:

- 1) a yearly financial report of the status of VEBA:
- 2) A financial update limited to two times during a calendar year, January 1 to January 1

ARTICLE XI

ADJUSTMENT OF DIFFERENCES

Section 1. Grievance Procedure

Should any dispute or disagreement arise between an employee or a Local Union and the Company, except disputes or disagreements arising under the Mutual Responsibilities (Article IV, above) or disputes or disagreements relating to the Benefit Plans or the Companywide Incentive Plan specified in Article X, such dispute or disagreement shall constitute a grievance and be disposed of in the following manner:

First Step - The grievance shall be presented by the employee or his Local Union to his immediate supervisor within fourteen (14) calendar days after the incident or occurrence. It is recognized that a grievance involving compensation may not become known to an employee until he receives his paycheck for the work period during which the difference actually occurred. In such instances, an employee may present his grievance within fourteen (14) calendar days of the day he receives his paycheck. The immediate supervisor and/or appropriate Manager shall meet with the aggrieved employee within ten (10) calendar days after receipt of the grievance and shall give an answer in writing within ten (10) calendar days after the grievance meeting.

Second Step - If the grievance is not settled in the First Step, the aggrieved employee or his Local Union may, within ten (10) calendar days after the First Step answer is sent, submit the grievance in writing, including the provisions, if any, of the Agreements alleged to be violated, to the aggrieved employee's Department Manager. The Department Manager (or a designated representative) shall meet with the aggrieved employee within ten (10) calendar

days after receipt of the grievance and an answer shall be given in writing within ten (10) calendar days after the meeting.

Third Step - If the grievance is not settled in the second step, the aggrieved employee or his Local Union may, within ten (10) calendar days after the Second Step answer is sent, submit the written grievance, including the provisions, if any, of the Agreements alleged to be violated, to the Labor Relations Manager. Within ten (10) calendar days after receipt of the grievance, the Labor Relations Manager (or his designee) shall schedule a mutually agreeable date for meeting with the aggrieved employee. The Labor Relations Manager (or his designee) shall give an answer in writing within ten (10) calendar days following the meeting.

In each step of the grievance procedure, a Local Union designated representative who is reasonably available shall be present with an aggrieved employee at any of the meetings provided for above in the three steps of this grievance procedure.

The aggrieved employee or aggrieved employees (maximum of three) and one Local Union representative (an employee who is reasonably available) shall not lose their regular straight-time pay for the time spent at such grievance meetings if held during their regularly scheduled hours of employment.

If the Company fails to render a decision within the time allotted in any step of the foregoing procedure, the grievance shall be deemed denied as of the last day of such allotted time. The aggrieved employee shall have the right to continue with the next step in accordance with the procedure for advancing grievances as defined in each step. If the aggrieved employee fails to meet any of the time deadlines set forth in the foregoing procedure, the grievance shall be deemed withdrawn.

Grievance investigations by employee Local Union representatives will normally be made during other than working hours. However, if such investigations can only be conducted during working hours, permission from the Company must be obtained before proceeding with such investigations. If permission is granted, the employee or employees involved will not lose their regular straight-time rate of pay therefor.

Copies of written answers to all grievances shall be furnished to designated Local Union representatives.

Section 2. Appeal From Suspension Or Discharge

Any regular employee who considers himself improperly suspended or discharged may bypass the first two steps of the grievance procedure and submit a grievance in writing to the Third Step of the grievance procedure. Such grievance must be submitted within fourteen (14) calendar days following the first day of a suspension or the date of discharge and will otherwise be handled in accordance with the grievance procedure as heretofore defined.

Section 3. Arbitration Procedure

(a) In the event of failure to satisfactorily settle or adjust any grievance involving an allegation of a violation of a provision or provisions of the Agreements according to the foregoing grievance procedure, then within thirty (30) calendar days after the answer has been given in the Third Step, such arbitrable grievance may be submitted to arbitration in the following manner:

1. The Local Union shall within said thirty (30) calendar day period give written notice to the Company of its desire to arbitrate the grievance. Such written notice shall include, at a minimum, a statement of the remedy to be sought in

arbitration, and the specific term(s) or provision(s) of this Agreement alleged to have been violated.

2. The Company shall then request a panel of seven arbitrators from the FMCS.
3. The Company and the Local Union then shall select an arbitrator from the panel or panels submitted by the FMCS. Both the Union and the Company have the right to reject one entire panel.
4. The arbitrator shall hold a hearing on a date satisfactory to the Company and the Local Union, for the purpose of receiving such evidence as the Parties may have to present with respect to the grievance.
5. If a stenographic recording of the hearing is requested by either party, the cost of the original transcript shall be borne by the requesting party and a copy of the transcript shall be made available to the Arbitrator for his sole use. If the other party wants a copy of the transcript, it shall make such desire known before the close of the hearing and shall equally share the cost of the original transcript. No other electronic recordings of the hearing other than the above shall be permitted.
6. Within sixty (60) calendar days after the receipt by the arbitrator of all arguments, documents and records pertaining to the grievance, he shall render in writing a statement of findings and a decision. Such decision shall be final and binding on both Parties.

(b) The arbitrator shall have no authority to:

1. add to, detract from, or in any way modify the terms of the Agreements, or
2. pass upon any question involving wage rate schedules, or

3. pass upon any question arising from incidents occurring after the right to strike date established in Article IV, (e)(2), or
4. pass upon any question involving the re-employment rights of a former employee discharged from military service; or the job classification to which an employee on leave of absence for military service is entitled to upon discharge from military service; or
5. pass upon any question involving whether or not a disability of an employee is a result of an injury or occupational disease occurring in the course of employment with the Company; or
6. pass upon any questions which do not involve interpretation or applications of a specific term or terms of the Agreements; or
7. pass upon any question relating to benefits under the American Electric Power System Comprehensive Dental Plan, Spending Accounts, Group Life Insurance Plan, Long Term Care Plan, Long Term Disability Plan, Comprehensive Medical Plan [or alternative medical coverage such as a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO) should such be made available by the Company], Group Accidental Death and Dismemberment Insurance Plan, Retirement Plan, Retirement Savings Plan and Sick Pay Plan; or
8. pass upon any question relating to the Companywide Incentive Plan or Paid Parental Leave; or
9. pass upon any question relating to the MOU, or to the subject matter contained therein.

(c) The Company and the Union shall each bear their own expenses and shall equally bear all compensation and expenses of the arbitration.

(d) If the Local Union, in submitting a grievance to arbitration, fails to meet any time deadline set forth in the foregoing arbitration procedure (unless the time is extended by mutual consent in writing), the grievance shall be deemed withdrawn.

(e) In all time steps stated in this Article XI, the date of the event which begins the time limit (answer sent, meeting held, etc.) shall not be included in counting the days of the time limit.

Section 4. The System Council will furnish the Company with the names of its duly elected officers and the names of its duly authorized representatives.

Each affiliated Local Union will furnish the Company with the names of its duly elected officers and representatives.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands
and seals this _____ day of _____ 201_.

For The Companies

For System Council U-9

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

By: _____

2015 IBEW Master Collective Bargaining Agreement

For IBEW Local Union 329

For IBEW Local Union 386

By: _____

By: _____

Date: _____

Date: _____

For IBEW Local Union 696

For IBEW Local Union 738

By: _____

By: _____

Date: _____

Date: _____

For IBEW Local Union 876

For IBEW Local Union 934

By: _____

By: _____

Date: _____

Date: _____

For IBEW Local Union 978

For IBEW Local Union 1002

By: _____

By: _____

Date: _____

Date: _____

For IBEW Local Union 1392

For IBEW Local Union 1466

By: _____

By: _____

Date: _____

Date: _____

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands
and seals this _____ day of _____ 201_.

For The Companies

For System Council U-9

By: Trig C. Bann

By: _____

By: TP Householder

By: _____

By: Jeffrey D. LeFevre

By: _____

By: A.M. Smoak

By: _____

By: J. Beckelmeier

By: _____

By: Kay Wilson

By: _____

By: Thomas H. Morgan

By: Robert Wagner