

AGREEMENT

THIS AGREEMENT, made and entered into by and between KENTUCKY POWER COMPANY, hereinafter referred to as the “Company”, and LOCAL 978, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, hereinafter referred to as the “Union.”

ARTICLE I RECOGNITION AND REPRESENTATION

1.1 BARGAINING UNIT

The Company hereby recognizes the Union as the representative for the purposes of collective bargaining within the meaning of the Labor-Management Relations Act for all meter readers and field revenue specialists employed by the employer in its Pikeville, Kentucky, service area, but excluding all other employees, professional employees, guards and supervisors as defined in the Act.

Unless the context indicates otherwise, the word “employee” or “employees” wherever used herein shall mean and refer only to those full-time regular and probationary employees now or hereafter in the employment of the Company in the job classifications covered by this Agreement.

Temporary employees are those employees hired for full-time jobs but only for a specified limited period of time not to exceed six (6) months.

Part time employees are those employees whose jobs require less than a normal daily and/or weekly schedule.

1.2 LEGACY OF KNOWLEDGE

Employees who are covered by this Agreement may be allowed to participate in the Company’s Legacy of Knowledge (LOK) Program. Participation in the LOK Program is not an entitlement or right automatically available to any eligible represented employee. The Company, at its sole discretion, shall determine when and if LOK positions exist and the selection of employees to participate in the LOK Program.

The Union and Company recognize that the terms and the conditions of employment for LOK participants are covered in the LOK Program. Employees selected to participate in the LOK Program will continue to be covered by the terms of the Agreement during the period of the LOK assignment with the exception of those terms and conditions of employment covered in the LOK Program.

1.3 INFORMATION FURNISHED UNION

(a) The Company agrees to furnish the Union's Business Manager a roster of employees as of the effective date of this Agreement and annually thereafter. The roster shall reflect the name, classification and seniority of each employee. Any employee aggrieved by a roster posted by the Company must file any grievance within thirty (30) days after the roster is posted.

(b) The Company agrees to furnish the Union's Business Manager a copy of any disciplinary action issued to an employee, including a written warning, suspension or discharge.

1.4 DUES

The Company shall have no obligation to collect Union dues for any month in which the employee in his first pay period, received (after all deductions) pay less than the amount of such dues. However, the Company will, upon written request of the employee, deduct all back dues from the employee's first paycheck or checks that are sufficient to cover such back dues.

1.5 UNION REPRESENTATIVES

Authorized representatives of the Union shall be permitted to enter on the property of the Company at all reasonable times, provided such entry is necessary for the

purpose of making investigation or interviewing witnesses in connection with any grievance arising between the members of the Union and the Company, but no such entry shall be made upon the premises for such purposes until the supervisor in charge has been advised. The Union shall notify the Company in writing of the name of the authorized representatives.

1.6 GRIEVANCE COMMITTEE

The Union Grievance Committee shall consist of not more than three (3) employees, with three (3) alternates, one of whom may be substituted for a regular member at any meeting. The names of the Grievance Committee shall be furnished to the Human Resources Manager. The Company agrees to recognize this Committee as the representative of the employees and to meet with this Committee. The duties of the Committee shall be to present to and adjust any and all matters with the Company referred to it in the designated manner. The right is reserved by the Union to change any or all of a Grievance Committee at any time deemed necessary, but the Union shall notify the Company of any change in membership of the Grievance Committee at least seven (7) calendar days before the date of any meeting. Meetings necessary for the disposition of grievances shall take place at reasonable times, having due regard to operating requirements. A total of two (2) employees (members of the Grievance Committee and a grievant) shall not lose regular straight time pay while actually attending a Second and Third Step grievance meeting.

ARTICLE II SENIORITY

2.1 ACQUISITION OF SENIORITY

The seniority of a regular employee who shall have completed six (6) months full-time employment shall be determined by the length of his service computed from the first day of his last hire as a full-time employee.

Employees having less than six (6) months' service with the Company shall be considered as having no seniority. After six (6) months' service, the employee's seniority shall be calculated from the date of his employment in accordance with the terms of this Agreement.

Employees who are hired for specific temporary jobs shall have no seniority regardless of the length of service, unless said employees are transferred to the regular work force. In this event, seniority shall be calculated from the date of his assignment to fill a vacancy in a regular job and the usual six (6) months' probationary period may then be required by the Company.

2.2 TYPES OF SERVICE AND SENIORITY

Length of continuous service within the Company and/or any of the other American Electric Power Company affiliates shall be deemed Company service.

Length of service within the bargaining unit shall be deemed unit seniority.

2.3 JOB POSTING

(a) When the Company desires to make promotions or to increase work forces as too jobs in the bargaining unit, the following factors shall be considered:

- (1) Skill, efficiency, experience, ability, knowledge, physical fitness, training and merit/performance. In order to determine an employee's qualifications, the Company may require the employee to satisfactorily pass reasonable examinations. Where such factors are substantially equal for two or more employees, then unit seniority shall govern.

(b) In the event a vacancy is to be filled in a classification covered by this Agreement, in order that employees may know about jobs available, a notice shall be posted on appropriate bulletin boards indicating that such jobs are open for bid. These notices shall remain on the bulletin boards for ten (10) calendar days, not counting the day of posting. Employees, or another employee on his behalf if the employee is absent due to vacation, may submit bids for these jobs to his supervisor or the Human Resources Manager during the period specified.

Within sixty (60) calendar days from the date of posting of a notice of a job vacancy, the Company will fill such vacancy provided a qualified employee has made application therefor and provided the need to fill the vacancy still exists.

No posting of job classification vacancies shall be required with respect to a job classification to which an employee is entitled upon returning from:

- (1) Military Service

- (2) A disability due to illness or injury, or
- (3) A leave of absence, or
- (4) A vacation;

or to the filling of jobs temporarily for such reasons.

(c) Employees hired as Meter Readers after November 1, 2012 shall be expected to qualify and promote to Meter Servicers within (24) twenty-four months of their hire date or their employment shall be terminated.

2.4 LOSS OF SENIORITY

A complete loss of seniority shall be suffered by an employee who:

- (a) Voluntarily terminates his employment.
- (b) Is discharged for just cause.
- (c) Fails to return to work as provided for under Section 2.8 of this Article.
- (d) Is absent from work due to layoff in excess of the times specified in Section

2.6 of this Article II.

(e) Is absent from work due to layoff in excess of the times specified. In cases of absences due to illness or disability such times may be extended by leaves of absences.

(f) Overstays a leave of absence or violates any of the terms or conditions of a leave of absence.

2.5

LAYOFF AND DISPLACEMENTS

(a) When a reduction in force is necessary, probationary employees in the affected job classification shall be laid off first. If it is necessary to reduce the number of regular employees in the affected job classification, employees with the least unit seniority

shall have the right to exercise unit seniority to a lower job classification provided there is an employee having less seniority in a lower classification, or accept a layoff.

(b) If a laid off employee accepts work with the Company of a temporary nature, his seniority and recall rights shall not be extended or changed thereby.

(c) An employee who accepts a demotion through these layoff procedures shall have seniority which will transcend the seniority of all other employees for the purpose of promotion to the classification from which he was demoted.

(d) The Company shall give employees two (2) weeks' advance notice before being laid off, or in lieu thereof, eighty (80) hours pay at the employee's regular straight-time rate of pay.

2.6 SENIORITY AFTER LAYOFF

If a regular employee is laid off, he shall retain his seniority for a period of two (2) years or for a period equal to his length of service when such absence begins, whichever is less, unless he sustains a complete loss of seniority as provided elsewhere in this Agreement.

2.7 RECALL

In recalling laid off employees, they shall be returned to work according to unit seniority if they are available, able and qualified to return to work. If an employee who has been laid off fails to report within seven (7) calendar days after notice is sent by United States Certified Mail Return Receipt Requested, he shall be considered dismissed from the employ of the Company and the next employee in seniority shall be called.

In sending notices hereunder to an employee, the Company shall be entitled to rely on the last address of the employee given by him to the Company in writing. The

employee shall give the Company notice of any change in address and obtain from the Company a written receipt of such notice.

2.8 EMPLOYEE LEAVING BARGAINING UNIT

When an employee moves to a supervisory or other position not covered by this Agreement in the Pikeville Area, he will cease to be represented by the Union. Such employee may be returned by the Company, within one hundred eighty (180) calendar days, to a bargaining unit classification without loss of seniority accumulated before and after such promotion or transfer.

Further, such employee may be returned by the Company to a bargaining unit classification at any time after one hundred eighty (180) calendar days without loss of seniority accumulated before such promotion or transfer.

This Section 2.8 is not applicable to employees temporarily performing a supervisory or other job not covered by this Agreement. During such temporary periods of assignment the employee remains in the bargaining unit, maintains all rights conferred by this Agreement and continues to accumulate seniority during the assignment.

An employee who moves from this bargaining unit to another bargaining unit represented by Local 978 shall continue to accumulate seniority in this bargaining unit. Such accumulated seniority can be used by the employee to displace a less senior employee in this bargaining unit, but only if the employee is subject to being laid off in the Local 978 bargaining unit.

2.9 PURPOSES OF SENIORITY

For purposes of this Agreement, seniority shall be a factor in promotions, transfers, layoff and displacements, recall, returning to the bargaining unit, demotion and vacation selection, but for no other purpose.

2.10 DEFINITIONS

(a) PROMOTIONS shall be considered as a change from one job classification to a job classification carrying a higher maximum rate of pay in the same line of progression.

(b) DEMOTIONS shall be considered as a change from one job classification to a job classification carrying a lower maximum rate of pay in the same line of progression.

ARTICLE III WORKING CONDITIONS

3.1 WORK SCHEDULES

Where schedules include Saturdays and/or Sundays, such schedules to the extent that it is reasonable and practicable to do so, shall be rotated in such manner as to equalize Saturday and Sunday work among the employees involved. However, the provisions of this Section above shall not apply when the Company deems it necessary to invoke the Major Service Restoration.

3.2 OVERTIME PAY

An employee shall be paid double his regular straight-time rate of pay for hours worked on his second scheduled day off within the workweek except when Sunday is the employee's first scheduled day off. When Sunday is the employee's first scheduled day off, the hours worked on such Sunday shall be paid at double the employee's regular straight-time rate of pay, and the hours worked on his second and all other scheduled days off shall be paid at one and one-half (1½) times his regular straight-time rate of pay.

When an employee works sixteen (16) consecutive hours and continues to work, he shall be paid at two (2) times his regular straight-time rate of pay for all hours worked in excess of the first sixteen (16) hours. However, this provision shall not apply to any hours for which the employee is paid this double time rate under any other provisions of this Agreement or when the Company deems it necessary to invoke the Major Service Restoration provisions.

No employee shall receive overtime pay for both weekly and daily overtime for the same overtime work.

In no event shall an employee receive more than double his regular straight-time rate for any hours worked.

(c) If overtime for which an employee is scheduled is canceled later than ten (10) hours prior to the scheduled overtime, the employee will be paid one (1) hour's pay at the applicable overtime rate.

3.3 SHIFT PREMIUMS

(a) Shift Premium

The Company will pay in addition to the regular straight-time rates a shift differential to employees on scheduled shifts in accordance with the following:

First Shift - Where the majority of the scheduled hours worked are between 7:00 a.m. and 3:00 p.m.

Second Shift- Where the majority of the scheduled hours worked are between 3:00 p.m. and 11:00 p.m.

Third Shift - Where the majority of the scheduled hours worked are between 11:00 p.m. and 7:00 a.m.

Shift premium will not apply in connection with overtime worked by employees assigned to the First Shift.

Shift premium will apply in connection with overtime worked by employees assigned to the Second or Third shift.

Employees regularly assigned to a First Shift who are temporarily assigned to a Second or Third Shift will be paid the premium applicable to the shift to which temporarily assigned.

3.4 SCHEDULE AND SHIFT MODIFICATION

For the purpose of clarification, the following definitions apply:

(a) "Schedule Change" shall mean a change in regular workdays of a workweek.

(b) "Shift Change" shall mean a change in hours within a workday which results in the majority of an employee's newly scheduled hours to be within a shift other than his previous scheduled shift (see Section 3.3(a) of this Article III for shift definitions).

Overtime assignments and the Company's decision to invoke the Major Service Restoration provision shall not constitute either a schedule change or a shift change.

If the Company desires to change an employee's schedule and/or shift, the following shall apply:

(1) If an employee has his shift and/or schedule changed with less than twenty-four (24) hours' notice before the beginning of the changed shift and/or schedule, he shall be paid one and one-half (1½) times his regular straight-time rate including applicable shift premiums for the hours worked on the first day of such changed shift and/or schedule. If the employee continues to work on such changed shift and/or schedule on any succeeding days, he shall be paid his regular straight-time rate plus applicable shift premium for the remainder of the hours worked on such changed shift and/or schedule.

(2) If twenty-four (24) hours or more notice is given before the changed shift and/or schedule is to begin, an employee whose shift and/or schedule is so changed shall be paid his regular straight-time rate including applicable shift premium during the time he works on such changed shift and/or schedule.

(3) Notwithstanding Section 3.4 (b)(1) and (2) above, in changing from the previously scheduled weekly shift and/or schedule to a changed shift and/or schedule with less than eight (8) hours intervening between shifts, an employee shall receive one and one-half (1½) times his regular straight-time rate including applicable shift premium for hours worked on the first day of such changed shift and/or schedule.

3.5 CALL OUT

(a) An employee called out to work outside his regular schedule between the hours of 6:00 a.m. and midnight will be paid a minimum of two (2) hours at the applicable overtime rate.

An employee called out to work outside his regular schedule between the hours of midnight and 6:00 a.m. will be paid a minimum of three (3) hours at the applicable overtime rate.

In case more than one call-out occurs within the minimum period the employee will receive pay at the applicable rate for the applicable minimum period, or actual hours worked, whichever is greater.

If the minimum period overlaps into the employee's scheduled hours of work, he will be paid at the applicable rate only for that portion of the minimum period that preceded his scheduled starting time.

Callout pay shall not apply in cases where an employee has not left the Company property.

(b) When employees are required to remain at a particular place on call during Sundays, holidays or their scheduled hours off, such shall be considered as hours worked.

The practice of employees notifying the Company of the availability for obtaining emergency work shall not be considered as being on call.

3.6 OVERTIME WORK—OBLIGATION, DISTRIBUTION

To the extent that is reasonable and practicable to do so, the Company will endeavor to equitably distribute overtime assignments over reasonable periods of time. Overtime records, cumulated on a biweekly basis, will be posted as soon as practicable after the closing of the pay period.

If overtime is assigned to the wrong classification, the qualified employee in the proper classification who should have been assigned the overtime shall be provided make-up overtime equal to the number of hours of the missed assignment. In no event shall the remedy for a violation of this Section 3.6 (b) be paid for time not worked. However, the provisions of Section 3.6 (b) above shall not apply when the Company deems it necessary to invoke the Major Service Restoration provisions.

3.7 REST PERIOD

(a) An employee who is required to work sixteen (16) hours within any twenty-four (24) hour period shall be entitled to an eight (8) hour rest period. Such rest period shall begin (a) upon release from work, (b) at the beginning of a regularly scheduled shift, or (c) at the time during the regularly scheduled shift when an employee completes sixteen (16) hours of work in a twenty-four (24) hour period, whichever is earlier. If any part of this eight (8) hour rest period falls within his regular scheduled hours, he shall suffer no loss in regular straight-time pay for such hours which are not worked. Should an employee be required to work any part of this eight (8) hour rest period which falls within a regularly scheduled shift, he shall receive his regular straight-time rate for having worked such hours

in this period, in addition to the regular rate to which he would have been entitled under this provision, had he not been required to work.

Meal periods, paid or unpaid, shall be included in computations of the sixteen-hour eligibility requirement under this section.

The pay provisions of this rest period clause shall not apply to any hours scheduled or worked on a recognized holiday or to any hours scheduled or worked that are subject to overtime premium.

Hours worked which have been considered in determining eligibility for a rest period granted, shall not be considered again for any subsequent entitlement.

(b) The provisions of Section 3.7 (a) above shall not apply when the Company deems it necessary to invoke the Major Service Restoration provisions.

(c) However, if the rest period under (a) above is interrupted by recall, a new rest period shall begin at the earlier time occurring under (a) or (b) above.

3.8 JOB SITE REPORTING

(a) When conditions require that an employee work at a distance from his regular headquarters, the Company shall provide transportation and pay for travel time both ways between headquarters and job locations.

(b) Notwithstanding Section 6.9 (A) above, an employee may be required to furnish his own transportation and travel on his own time when he is assigned to report to work at job locations which are within thirty (30) miles of his regular headquarters.

When an employee is assigned to work at job locations which are between thirty (30) and sixty (60) miles of his regular headquarters he may be required to travel on

his own time and will be paid Thirty-Four Dollars (\$34) for furnishing his own transportation.

3.9 LODGING AND BOARD PER DIEM

When an employee is required to spend the night away from his regular headquarters, the Company shall either furnish Ninety-Four dollars (\$94) "travel allotment" for lodging, meals and miscellaneous expenses or provide lodging while away and commencing with the evening meal on the first day the Company will furnish the following "per diem" for meals and miscellaneous expenses: Eighteen Dollars (\$18.00) when the evening meal is to be provided, or; Eighteen Dollars (\$18.00) per day when the breakfast and mid-shift meals are to be provided (i.e., the evening meal can be eaten at home), or; Twenty-Seven Dollars (\$27.00) per day when the mid-shift and evening meals are to be provided (i.e., breakfast can be eaten at home), or; Thirty-Six Dollars (\$36.00) per day if all meals are to be provided. The Company shall deduct from the applicable "per diem" the cost of any meals which it may provide. The Company will make a reasonable effort to find a suitable place for lodging when the travel allotment is furnished. Travel time between lodging and job locations shall not be considered as time worked except when the Company invokes the major service restoration provisions and work is performed outside the American Electric Power System. Such an employee may be required to remain away on his regular off days unless paid for all work done on those days, or all time spent during the normal working hours of such days, as the appropriate rate of pay.

3.10 MEAL ALLOWANCE

An employee will be entitled to a \$13.00 meal allowance when he:

- (a) works overtime for two (2) hours or more immediately before or after his regular shift, or
- (b) is called out to work overtime without advance notice and such overtime is worked six (6) hours or more, or
- (c) is called out to work overtime without advance notice and such overtime is worked into a normal meal time (i.e., 6:30 a.m. to 7:30 a.m., 12:00 noon to 1:00 p.m., and 5:30 p.m. to 6:30 p.m.), or
- (d) is scheduled to work overtime outside of, but not immediately before or after, his regular shift and such overtime is worked more than ten (10) hours, or
- (e) is called out to work overtime and is prevented from providing his own regular mid-shift meal, or
- (f) works overtime continuously for six (6) hours or more after becoming entitled to an initial meal allowance under (1), (2), (3), or (4) above, and will be entitled to additional meal allowances for each subsequent six (6) hour interval of continuous overtime worked thereafter.
- (g) Any time provided to eat a meal shall not be deemed time worked.

3.11 HEALTH AND SAFETY

The Union will cooperate with the Company by encouraging its members to observe the Company's safety rules and practices and by informing the Company of safety hazards or unsafe practices.

The Company shall furnish the Union a copy of the Report of Injury or Illness of any accident affecting an employee covered by this Agreement and resulting in lost time.

The formulation and installation of safety rules is the responsibility of management and employees shall be required to observe such rules. The reasonableness of a safety rule is subject to the grievance and arbitration procedure.

The Company shall provide and maintain first aid equipment at all headquarters, in convenient locations, and in automotive equipment used by employees; and employees shall be instructed to observe all safety rules.

The Company shall furnish prescription safety eyeglasses (the style and type of which shall be determined by the Company) for employees whose duties, as determined by the Company, require eye protection and who have need for prescription lenses. The employee will pay for his eye examination and furnish the Company a copy of the prescription to be used.

3.12 TOOLS AND EQUIPMENT

The Company will furnish all necessary tools to employees. Suitable rain protection equipment is to be furnished to employees required to work outdoors. When tools and equipment are issued, the employee will be held responsible for their return in good condition, reasonable wear and loss excepted. Employees shall be allowed a reasonable length of time to return their tools and equipment to their proper place before their regular quitting time. When employees are furnished with Company equipment, such as vehicles, lockers, desks, etc., the Company may inspect such at any time.

Work gloves (the material and style of which shall be determined by the Company) shall be furnished to employees whose regular assignment of work, in the judgment of the

Company, include: (1) the handling of tools or materials, or (2) the handling of equipment at such temperatures as may reasonably require the wearing of gloves. Gloves will be replaced as needed upon receipt by the Company of the worn gloves as evidence of need for replacement.

Uniforms (the material and style of which shall be determined by the Company) shall be furnished to employees.

3.13 REPORTING OFF DUTY

Employees who are unable to report for work shall, if possible, notify their supervisors at least two (2) hours before their starting time of such inability to report to work. However, any employee who is unable to report for work is expected to notify his supervisor as soon as he knows of his inability to report to work.

ARTICLE IV VACATIONS

4.1 For purposes of this Article IV, continuous service shall include credit for prior periods of employment as a probationary, regular or part-time employee who was regularly scheduled to work twenty (20) or more hours per week with Kentucky Power Company and/or any other American Electric Power System affiliated Company.

4.2 (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 4.1 above shall be in accordance with the table in Section 4.2 (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.

4.2.1 In the calendar year of hire, rehire, or return from leave of absence, or layoff, if an employee is employed 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 of absence, or layoff on or after the 16th of a month, the month would not be counted.

4.2.2 Vacation pay shall be at the employee's regular straight-time rate.

4.3 Vacation to which an employee is entitled during any calendar year must be taken during the calendar year, with two (2) exceptions:

4.3.1 If an employee is required by the Company to postpone his scheduled vacation so that it cannot be rescheduled during the remainder of the year, the Company will either (1) pay such employee at his regular straight-time rate for such vacation or (2) schedule such vacation during the following year.

4.3.2 An employee with 23 years of service or less may defer up 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 (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 regular vacation entitlement as provided under the other Sections of this Article IV.

4.4 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.

4.5 When an employee dies or retires from the Company, the Company will pay the beneficiary or the employee at the time of death or retirement for the pro rata part of his vacation he has earned during the year in which he dies or retires. The provisions of this section 4.5 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 after January 1, 2000.

4.6 Vacation entitlement for an employee returning from a Leave of Absence of Layoff shall be based on the total years of service in the year of return from leave or layoff in accordance with the table in Section 4.2 (a). 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/layoff be less than that of a new employee hired on the same date.

4.7 Any employee who makes request, therefore, will receive his vacation pay immediately prior to his vacation period, provided such request is made ten (10) calendar days prior to such vacation period. When emergency has prevented the employee from giving ten (10) calendar days' advance notice the Company will endeavor to make advance payment.

4.8 If any employee is required to return from his vacation prior to its expiration date, he shall be reimbursed for all out-of-pocket expenses in connection with such recall and allotted an additional vacation period for the unexpired portion thereof.

4.9 Employees will be granted their vacations at the time they desire as far as is practical, however, length of service, number of employees off duty at one time, shift assignment and workload will be taken into account in scheduling vacations. The employee senior in service shall have first choice of one vacation period and then go to the bottom of the service list until other employees, in the order of their service, have had one choice. Employees who request and are permitted to split their vacations shall repeat the above process for second and third choice, however, any employee submitting his preference before March 1st shall have preference over any request submitted after March 1st and the Company shall verify preferences received by March 1st no later than April 1. Any request received after March 1st shall be considered in order received. Employees who have not scheduled their vacation by June 1 will have their vacation periods assigned by the Company.

4.10 Any employee having more than one (1) week's vacation will be permitted to divide his vacation insofar as is practical.

4.11 If one of the nine (9) regular holidays falls during the vacation of any employee, on one of the days that he normally would have been scheduled to work, or on one of the days for which the employee would have received holiday pay under Section 4.2.2, he will be entitled to an extra eight (8) hours of vacation with pay for eight (8) hours at the regular straight-time rate at a time convenient to the Company or equivalent vacation pay at the option of the Company. If the employee should for any reason leave the employ of the Company prior to the scheduling of such extra day, the Company will pay the employee for such extra day eight (8) hours vacation pay at his regular job rate.

ARTICLE V HOLIDAYS

5.1 PAY FOR HOLIDAYS NOT WORKED

All full-time employees not normally required to work on recognized holidays will be paid for holiday time on the following basis:

(a) When a holiday falls within the normal work schedule of the employee and is not worked, the employee will be paid for eight (8) hours at his regular straight-time rate.

(b) When a holiday is observed on any employee's scheduled day off and such regular day off is not a Saturday or a Sunday, the Company will either:

(1) Pay such employee for eight (8) hours at his regular straight-time rate for such holiday, or

(2) Give such employee a day off on one of his currently scheduled days of work for that workweek and pay him for eight (8) hours at his regular straight-time rate for such day.

(c) An employee who has been notified to work on a holiday and does not work, unless excused by the Company, shall receive no pay for that day.

(d) An employee who has an unexcused absence on his scheduled work day immediately preceding or immediately following a holiday, will receive no pay for such holiday.

(e) No employee shall receive holiday pay (or a day off with eight [8] hours pay in lieu thereof) if, on any one of said holidays, he:

(1) Was unable to work because of illness or injury, or

(2) Was on leave of absence, or

(3) Was absent from work due to a labor dispute.

5.2 PAY FOR HOLIDAYS WORKED

An employee required to work on a day observed as a holiday shall be paid eight (8) hours at his regular straight-time rate of pay as holiday pay, and in addition, shall receive pay for work performed on that day on the following basis:

(a) Hours worked by the employee after his scheduled starting time and prior to his scheduled quitting time in accordance with his work schedule for that day shall be paid at one and one-half (1½) times his regular straight-time rate of pay.

(b) Hours worked by the employee shall, after his scheduled quitting time and/or prior to his scheduled starting time in accordance with his work schedule for that day, be paid at double his regular straight-time rate of pay.

(c) In applying paragraphs (A) and (B) of this Section 9.3 when the holiday worked is observed on a employee's scheduled day off, "work schedule for that day" shall mean the work schedule of the employee on his last day of work previous to the holiday.

5.3 PERSONAL DAYS OFF

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

(a) Requests for a Personal Day Off should be made at least one (1) week in advance of the day to be observed, unless extenuating circumstances prevent the asking for the day in such advance time, and the day for observing such Personal Day Off must be approved by the employee's immediate supervisor.

(b) If more employees request a Personal Day Off on a specific day than can be accommodated within the work group, requests will be honored in the order in which they were received.

(c) An employee observing his Personal Day Off will be paid for eight (8) hours at his regular straight-time rate for such day, provided:

(1) If the employee has been notified to work on his Personal Day Off and does not work, unless excused by the Company, he shall receive no pay for that day.

(2) An employee who has an unexcused absence on his scheduled workday immediately preceding or immediately following his Personal Day Off, will receive no pay for such day.

(3) If, on the day observed as the Personal Day Off, the employee:

(a) Was unable to work because of illness or injury, or

(b) Was on leave of absence, or

(c) Was absent from work due to a labor dispute, he will receive no pay for such day.

(d) An employee required to work on a day scheduled to be observed as his Personal Day Off shall be paid eight (8) hours at his regular straight-time rate of pay, and in addition shall receive pay for work performed on that day or the employee may request to reschedule the holiday to another day prior to December 31.

(1) Hours worked by the employee after his scheduled starting time and prior to his scheduled quitting time in accordance with his work schedule for that day shall be paid at one and one-half (1½) times his regular straight-time rate of pay.

(2) Hours worked by the employee shall, after his scheduled quitting time and/or prior to his scheduled starting time in accordance with his work schedule for that day, be paid at double his regular straight-time rate of pay.

ARTICLE VI WAGES

6.1 The parties hereto have agreed to a Wage Agreement with attached wage rate schedules apart from this Agreement (which are in writing and bear their signatures).

6.2 TEMPORARY WORK ASSIGNMENTS

If an employee is temporarily assigned to a job of higher rate for one (1) hour or more, either within or outside of his department, he shall receive the higher rate for the actual hours worked in the higher rated job.

If temporary assignments cover a full day before and a full day after a holiday, any pay for the holiday not worked shall be based upon the straight-time hourly rate for time worked on the scheduled day preceding the holiday.

6.3 RATE OF PAY FOR NEW OR CHANGED JOB CLASSIFICATIONS

If new job classifications are created or if the duties of any job classification are substantially changed during the period of this Agreement, the wage rates for such new or changed job classifications shall be established by the Company in proper relationship to other existing job rates in the bargaining unit, and the Union shall be promptly notified of such established rates.

If the Company and the Union cannot agree on the new rate, the union may resort to the grievance and arbitration procedure provided in the Master Agreement for final determination of the proper rate of pay for such job to be determined upon the basis hereinbefore provided.

**ARTICLE VII
WAIVER OF BARGAINING**

It is the intent of the parties that the provisions of this Agreement will supersede all prior agreements, understandings, customs and practices, oral or written, expressed or implied, and this Agreement incorporates their full and complete understandings 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 Union, for the life of this Agreement, hereby waives any rights to request to negotiate or to negotiate or to bargain with respect to any matters contained in this Agreement.

The CBA front cover shall contain the IBEW logo.

**ARTICLE XIV
PERIOD OF CONTRACT**

This Agreement shall be in full force and effect beginning at 12:01 a.m. on the day following the date upon which the IBEW Master Agreement and all thirty-three IBEW Local Agreements have been ratified.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed this _____ day of _____, 2012.

FOR THE COMPANY:

Kentucky Power Company

FOR THE UNION:

Local Union 978, International
Brotherhood of Electrical Workers
Pikeville Area
Field Revenue Operations
Bargaining Unit

Labor Relations Manager

Business Manager

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