

STAFF-DR-01-039

REQUEST:

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

RESPONSE:

The following labor documents were provided in the testimony as Attachments TS-7(a) through (f):

- UWUA Contract 2015 – 2019
- UWUA Sidebar letters 2015 – 2019
- IBEW 1347 Agreement 2014 – 2017
- IBEW 1347 Sidebar letters 1973 – 2017
- USW 12049 & 5541-06 Contract and Sidebar letter 2016 – 2021

See ATTACHMENT STAFF-DR-01-039(a) – 2012-2015 Sidebar Letter Book;

ATTACHMENT STAFF-DR-01-039(b) – 2011-2016 USW Historical Sidebar; Letter.

The USW stopped performing electric work in mid 2014 and now only performs gas work.

ATTACHMENT STAFF-DR-01-039(c) – 2012-2015 UWUA Local 600 Agreement;

ATTACHMENT STAFF-DR-01-039(d) – 2011-2016 Midwest Union Contract and

ATTACHMENT STAFF-DR-01-039(e) – 2017-2022 IBEW 1347 Agreement. The new 2017-2022 IBEW 1347 Agreement is not yet finalized, however included is the Agreement document and any new letters and contract language changes.

PERSON RESPONSIBLE: Thomas Silinski



HISTORICAL SIDEBAR LETTERS 2012 – 2015

Between

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

and

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

Appendix A

Historical Documents Preserved And Made A Part Of This Agreement For Interpretation And Application

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

APPENDIX A

**HISTORICAL DOCUMENTS PRESERVED AND MADE PART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

Document Number	Document Date	Article	Subject
A-1	12/22/1971	IX, 5(c)	Vacation Selection
A-2	07/16/1974	V, 4(b)	Inter-Department Transfers
A-3	03/28/1977	V, 2(c)	Multiple Posting System in Property Department
A-4	03/28/1977	V, 3(d)	Testing Procedures When Employees Promote
A-5	04/13/2012	IX, 4	Leaves of Absence
A-6	04/18/1989	V, 6	Hiring Co-ops – Union Notification
A-7	04/18/1989	V, 2(c)	Multiple Posting System – Electric Operations
A-8	04/13/2012	IX, 5(c)	Partial Day Vacation Administration
A-9	04/18/1989	I, 2(c)	Falsification and Tampering with Company Records
A-11	04/16/1992	XI, 1(d)	Holiday Call-Out
A-12	04/16/1992	XII, 2(a)	Flextime
A-13	04/16/1992	XII, 3(b)	24 Hour Notice – Change of Shift
A-14	04/16/1992	I, 1(a)	Reorganization of Distribution Operations Division
A-15	04/16/1992	XVI, 2(b)	Out-of-Town Work or Training
A-17	04/13/2012	XII, 2(a)	Four 10-Hour Day Guidelines
A-18	04/16/1992	VII, 1(a)	Personal Attorneys
A-20	07/19/1994	V, 2(e)	Gas Operations Trainer
A-21	01/11/1998	V, 2(e) VIII, 1(a) VIII, 1(i)	Customer Projects Resource Specialist
A-30	05/29/2002	V, 2(a)	Journey Person Job Sequence
A-32	05/29/2002	II, 1 III, 1(b) VII, 1(a)	Time Off for Union Duties/Business
A-38	09/02/1998	VIII, 1(i)	BOGAR Job Evaluation System
A-39	12/05/2000	V, 2(a)	Decentralization of Order Completion Work
A-40	12/29/2000	VIII, 1(e) VIII, 1(h) VIII, 1(i)	Manual, Clerical and Technical Job Classifications
A-41	05/14/2003	VIII, 1(i)	Disconnect Non-Pay, Succession and Special Reads
A-42	06/10/2004	XX, 1(a)	Post-Retirement Medical

Document Number	Document Date	Article	Subject
A-42a	04/13/2012	XX, 1(a)	Amendment to Sidebar Letter A-42 Post-Retirement Medical Benefits
A-44	04/13/2012	V, 2(e) VIII, 1(a) VIII, 1(i)	CPC Letter
A-46	04/21/2005	XII, 6	Temporary Upgrading in Clerical and Technical Jobs
A-48	04/21/2005	V, 7(a) VIII, 1(a)	East Meter Reading
A-49	04/21/2005	V, 3(a)	Interplant Seniority Rights
A-50	04/21/2005	IX, 2	Treatment for Substance Abuse
A-51	04/21/2005	XI, 2(a)	Personal/Diversity Day Requests
A-52	04/21/2005	IX, 5(a)	Vacation Carryover
A-55	04/21/2005	V, 3(a)	Job Elimination Situations
A-57	06/02/2008	XX, 1(a) XXI, 1	Health Care Benefits
A-58	06/02/2008	Misc.	Retirement Plan Agreement
A-59	06/02/2008	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs
A-60	06/02/2008	Misc.	Union Employee Annual Incentive Program (UEIP)
A-61	04/13/2012	V, 7(a) VIII, 1(a)	Cincinnati Call Center
A-62	06/02/2008	Misc.	Part-Time Employee Benefits
A-63	06/02/2008	Misc.	Meter Reading Travel Allowance
A-64	04/13/2012	VIII, 1(a)	Revenue Services Representatives
A-65	04/13/2012	V, 2	Competency Based Selection
A-66	04/13/2012	V, 2(a) V, 2(e)	Seniority Listing for Filling Office Coordinator Positions
A-67	04/13/2012	V, 2(a) V, 2(e)	New Service Contact Center
A-68	04/13/2012	V, 2 VIII, 1(e)	Customer Relations Bid Area
A-69	04/13/2012	Misc.	Meter Reading Transition Assistance Program
A-70	04/13/2012	Misc.	Voluntary Severance Program
A-71	04/13/2012	XII, 2(b)	Overtime Provisions
A-72	04/13/2012	XVI, 1	Outsourcing Affecting Job Elimination
A-73	11/16/2009	Misc.	LIT Job Progression
A-74	03/31/2011	XII, 4(a)	On Call Rotation – Local IT Support
A-75	01/16/2012	Misc.	G.I.S. Job Progression

THE CINCINNATI GAS & ELECTRIC COMPANY



December 22, 1971

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

Dear Mr. Neuhaus:

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

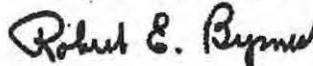
In accordance with our conversation, the Company will adopt the following vacation selection procedure effective January 1, 1972:

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

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

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

Very truly yours,



Robert E. Byrnes
Manager
Industrial Relations

A-1

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

July 16, 1974

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

Dear Mr. Neuhaus:

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

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

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

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

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

Very truly yours,

Robert L. Byrnes
Manager
Industrial Relations

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

A-2

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

March 28, 1977

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

Dear Mr. Devine:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

Arthur R. Ehrmschwender

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

March 28, 1977

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

Dear Mr. Divine:

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

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

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

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

Very truly yours,

Arthur R. Ehrnschwender



April 13, 2012

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

Re: Leaves of Absence

Dear Mr. Anderson:

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

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

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

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

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

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

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

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

Very truly yours,



Jay B. Alvaro
Vice President, Labor Relations

CG&E The Energy Service Company

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

Robert E. Byrnes
Senior Vice President

April 18, 1989

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

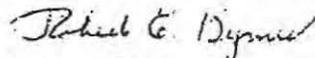
Dear Mr. Bradford:

During the 1989 negotiations, the parties discussed the possibility of the Company notifying the Union of the initial employment of co-ops in two year Associate Degree programs.

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

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

Very truly yours,



Robert E. Byrnes

A-6

CG&E The Energy Service Company

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

Robert E. Byrnes
Senior Vice President

April 18, 1989

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

Dear Mr. Bradford:

During the 1989 negotiation meetings, the committees for the Company and the Union discussed the multiple posting procedure as administered in Electric Operations with respect to job openings which become available after the posting date of a particular posting.

The established posting procedures have provided that positions which become available after a posting date but before a job posting is processed, are included in the original posting. This procedure is thought to serve the best interest of employees and the Company; employees benefit because additional job opportunities become available at earlier dates and the Company benefits because it obtains necessary manpower at earlier times. This procedure allows employees to promote, lateral or cross bid to another job or work location when that particular job may not have been specifically listed on a posting notice as being available. Employees who complete bid sheets in the normal and accustomed manner can obtain a benefit from the early filling of a job.

The Union has requested that any original openings in job classifications at a higher level than those indicated on the initial posting which occur after a posting date be included in an addendum to the posting. This arrangement will allow those few employees who do not submit advance bid sheets in accordance with the intentions of the posting procedure to evaluate such openings as they may occur.

As a result of the Union's request, any additional openings which become available after the posting date at either a higher level in the same job sequence as those original jobs posted or at any level in a different promotional sequence will necessitate an addendum posting or a subsequent posting. The management of the Company will evaluate whether or not to hold that opening(s) until a subsequent posting or to post an addendum to the original posting. If an addendum is added to a posting, the entire posting will remain open until seven (7) calendar days after the addendum is posted.

It is emphasized that this change in procedure in no way will restrict the Company's right to determine its manpower requirements at particular locations or its authority to determine when to post a particular job. The responsibility

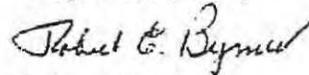
A-7

-2-

for this function must be reserved to the management of the Company. The Company must also retain the right to cancel a posted opening at any time.

Implementation of this revised procedure will hopefully satisfy the Union's request concerning listing original openings under the multiple posting system in Electric Operations.

Very truly yours,



Robert E. Byrnes



April 13, 2012

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

Re: Partial Day Vacation Administration

Dear Mr. Anderson:

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

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

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

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

Very truly yours,

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

Jay B. Alvaro
Vice President, Labor Relations

CG&E The Energy Service Company

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

Robert E. Byrnes
Senior Vice President

April 18, 1989

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

Dear Mr. Bradford:

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

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

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

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

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

Very truly yours,

Robert E. Byrnes

Robert E. Byrnes

A-9

CG&E The Energy Service Company

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

April 16, 1992

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

Dear Mr. Bradford:

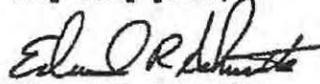
During the 1992 negotiation meetings, representatives of the Company and the Union discussed the negotiated intent and the current administration of holiday call out provisions contained in Article XI, Section 1 (d) of the Agreement.

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

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

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

Very truly yours,


Edward R. Schuette

A-11

CG&E The Energy Service Company

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

April 16, 1992

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

Dear Mr. Bradford:

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

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

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

Very truly yours,


Edward R. Schuette

A-12

CG&E The Energy Service Company

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

April 16, 1992

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

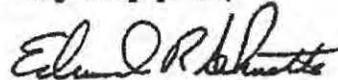
Dear Mr. Bradford:

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

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

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

Very truly yours,


Edward R. Schuetta

A-13

CG&E The Energy Service Company

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

April 16, 1992

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

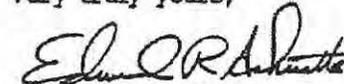
Dear Mr. Bradford:

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

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

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

Very truly yours,


Edward R. Schuette

A-14

CG&E The Energy Service Company

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

April 16, 1992

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

Dear Mr. Bradford:

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

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

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

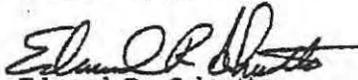
For extended trips, employees will be informed prior to leaving for the out-of-town assignment as to the number of return trips to Cincinnati they will be allotted. For these return trips, the Company will normally furnish transportation. In the event that visits home are granted and taken, the Company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

A-15

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

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

Very truly yours,


Edward R. Schuetz



April 13, 2012

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

Re: Four 10-Hour Day Guidelines

Dear Mr. Anderson:

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

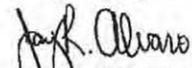
1. **Off Days.** Management will attempt to provide employees working a four 10-hour day workweek with three consecutive off days. However, employees in a particular work group may request or may be required to have two consecutive off days and another off day within the scheduled workweek. Supervision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

A-17

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

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

Very truly yours,



Jay B. Alvaro
Vice President, Labor Relations

CG&E The Energy Service Company

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

April 16, 1992

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

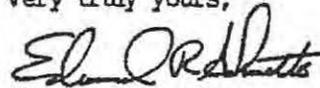
Dear Mr. Bradford:

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

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

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

Very truly yours,



Edward R. Schuette

OCT-13-99 WED 9:15 AM IUU

P. 6

CG&E ■ The Energy Service Company

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

July 19, 1994

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

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

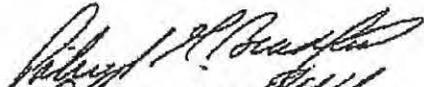
Reference is made to our meeting on Tuesday, June 28, 1994 regarding the new job classification, Gas Operations Trainer, Job Code #827. In addition to you and I, Messrs. E. Schuette and D. Zanitsch representing the Company and Mr. D. Rosing representing the IUU were also in attendance.

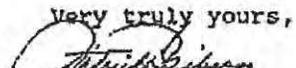
As agreed, the new job classification of Gas Operations Trainer, Job Code #827 will be established at wage level 12. This new job classification was evaluated by the Company's Non-Manual Job Evaluation Committee as a wage level 11.

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

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

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


Chairman 8/24
7/21/94

Very truly yours,

Patrick P. Gibson

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

\jobeval\trainer

A-20

January 11, 1998

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

Dear Pat:

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

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

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

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

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

- Customer Projects
- Electric Operations
- Gas Operations

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

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

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

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

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

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

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

Very truly yours,

Jerry W. Baird, Manager
Customer Projects

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

60600

CLASSIFICATION: CUSTOMER PROJECTS RESOURCE SPECIALIST

A. DUTIES:

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

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

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

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

B. QUALIFICATIONS:

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

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

Energy Delivery Customers Projects

Customer Projects Resource Specialist

Overview	To improve and supplement classroom training in the Customer Projects Department, full-time Resource Specialist positions were established in 1998. The duties and responsibilities of the Customer Projects Resource Specialist (CPRS) are listed below. The CPRS positions will be filled based on business needs as determined by Management. These positions are newly created jobs within Energy Delivery.
Eligible Job Classifications*	CPRS positions will be filled by IUU represented employees in the following bidding areas: <ul style="list-style-type: none">• Customer Projects• Electric Operations• Gas Operations
CPRS Responsibilities	The following responsibilities are included in CPRS duties: <ul style="list-style-type: none">• On-the-job training of new and existing employees in a work group.• Presenting and/or assisting others in classroom training.• Serving as an expert resource on work procedures and related technical information.• Providing refresher/remedial/supplemental training requested by the work group supervisor.• Performing duties in various work groups and as mutually agreed upon by respective work group supervisors.

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

Energy Delivery Customer Projects

OJT Procedures

**Selection
Procedures**

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

The CPRS position will be staffed using the following process:

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

Wage Rates

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

**Reporting
Relationships**

CPRS will report to Customer Project Supervisors.

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

Energy Delivery Customer Projects

OJT Procedures

Delivery.

**Additional
Consideration**

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

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

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

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

May 29, 2002

Ms. Mary Harthun
President
Utility Workers Union of America
IUU Local 600
P.O. Box 1757
Cincinnati, Ohio 45202



Re: Journey Person Job Sequence

Dear Ms. Harthun:

During the 2002 – 2005 contract negotiations, representatives of the Company and the Union discussed the promotional requirements for the Journey Person job classifications in the Site Services Department.

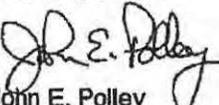
It was agreed that employees entering the Journey Person job classification would be required to qualify (including the completion of the job-duty checklist) and promote to the Technician II job classification at the end of two years from entering that job classification. It was also understood that employees who fail to meet the full qualifications to promote at the end of the two-year period would be subject to discharge. The Union also committed to encouraging incumbent employees in the Journey Person job classification to become qualified to promote to the Technician II job classification.

The Company assured the Union that employees in the Journey Person job classification will be given ample opportunity to acquire the experience and required training to allow them to complete the required checklist within the two year period.

The Company will promote employees in the Technician II and Mechanical Systems Technician job classifications who meet the minimum qualifications of the next higher job classification within the promotional sequence to the next higher job classification upon attaining those required qualifications.

This agreement enhances productivity for the Company and promotional opportunities for employees.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

A-30

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

May 29, 2002

Ms. Mary Harthun
President
Utility Workers Union of America
IUU Local 600
P.O. Box 1757
Cincinnati, Ohio 45202



Re: Time Off For Union Duties/Business

Dear Ms. Harthun:

During the 2002 - 2005 negotiations, the representatives of the Company and the Union clarified the administration of time off work and compensation for performing Union duties/business. Subject to legitimate business needs, the Company will grant compensated or non-compensated time off work in accordance with the following guidelines.

NEGOTIATIONS

Members of the Union negotiating committee and any other employee required to attend or prepare for negotiating meetings will be able to attend during working hours. These employees will not be compensated by the Company for time spent in and preparing for negotiations, unless previously agreed to by the parties.

GRIEVANCES & ARBITRATIONS

A reasonable number of employees will be able to prepare for and attend grievance and arbitration meetings. Union employees will not lose their straight-time wages while attending grievance meetings. The time spent by Union members in preparing for and attending all arbitration meetings is not compensable by the Company.

JOINT MEETINGS

A reasonable number of employees will be able to attend joint meetings between Union members and Company representatives. These employees will not lose their straight-time wages while attending or preparing for joint meetings.

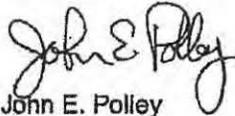
UNION DUTIES/MEETINGS

A reasonable number of employees may be excused but not compensated by the Company for attending, preparing for or performing union duties/meetings. This includes items such as counting votes, regular Union meetings, General Board meetings, working on Union accounting records, or other union duties or meetings.

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

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

Very truly yours,



John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

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

September 2, 1998

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



Dear Mr. Bradford,

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

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

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

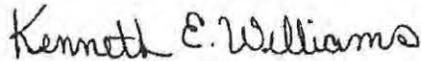
- Unions will appoint their representatives and they will only participate in the evaluation of job classifications represented by their Union.
- Unaffected union representatives may be present, but will not participate at this time.
- No more than two of the four USWA representatives will participate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

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

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

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

Sincerely,



Kenneth E. Williams
Manager
Employee Relations and Safety

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

December 5, 2000

Ms. Mary Harthun
Chairman
Independent Utilities Union
P O Box 1757
Cincinnati, Ohio 45202



Dear Ms. Harthun:

Reference is made to the discussions that have been held between the Company and the Union in regards to the Order Process Team's recommendation to decentralize the Order Completion work group.

As agreed, Suzanne Venable will be reassigned to the Order Completion work group and perform the duties of a Customer Relations Clerk A. However, she will remain in the job classification of Customer Relations Representative A. In the context of this letter, she will be considered as being in the Customer Relations Clerk A job classification. In the future, if this position is vacated and management decides to fill the position, it will be filled as a Customer Relations Clerk A.

In addition, since Marlene Titus-Smith was formerly a Customer Relations Clerk B and is the most senior person in the Customer Relations Clerk C wage level, the job posting procedure will be waived and she will be promoted to the Customer Relations Clerk B job classification. The Union further agreed that Marlene Titus-Smith's promotion would resolve the current grievance related to her past wage increases or lack thereof.

As discussed, the three employees in the Order Completion work group (i.e., Toni Cornelius, Linda Beck and Lori Stamper), who were formerly rolled back to the Customer Relations Clerk C job classification, will be reassigned to the Customer Relations Clerk B job classification. These reassignments are in accordance with the letter dated November 11, 1996 regarding rollbacks in the event of a job elimination. Furthermore, Janet Knaley a Call Center employee in the Customer Service Representative - Fti job classification will be assigned to the BAR Team to replace Toni Cornelius. The assigned employee will remain in the Customer Service Representative - Fti job classification, but will not be eligible for the Call Center quarterly incentive bonus or the annual corporate incentive bonus. If management decides to fill this assignment in the future, it will be filled by assigning another employee in the Customer Service Representative - Fti job classification. Such assignment will be made under the same conditions (i.e., the employee will not be eligible for incentive bonuses).

It was also discussed that the employees in the Order Completion work group will be assigned to various district offices. An initial complement of Customer Relations Clerk A and/or B positions will be designated for each of the district offices where the employees will be assigned. The Customer Relations Clerk A's and B's in Order Completion will then be allowed to volunteer to be assigned to one or more of the designated district offices. The assignments will be made based on the employees' assignment requests and their wage level seniority within the Customer Relations bidding area. If there are no volunteers from employees in a required job classification for a designated district office, the employee in the Order Completion work group with the least amount of wage level seniority in that job classification will be assigned to the designated district office.

It was also discussed that the remaining Customer Relations Clerk C position in the Order Completion group will be eliminated. If the incumbent employee in that job returns to full duties from disability leave, she will be assigned to the vacant Customer Relations Clerk D position in Payment Processing.

It is understood that this agreement will not set a precedent for any current or future similar situations, grievances or arbitrations. It is also agreed that the Union will not process any grievances that may be initiated as a result of this agreement. If the Union concurs with the above, please signify where indicated below and return a signed copy of this letter to me at your earliest convenience.

Very truly yours,



Signature: Mary Hawthorn

Date: 12-7-2000

INTERNAL CORRESPONDENCE

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

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

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

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

The job classification and evaluation plan provided:

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

INTERNAL CORRESPONDENCE

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

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

JOB DESCRIPTIONS

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

DUTIES

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

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

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

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

INTERNAL CORRESPONDENCE

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

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

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

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

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

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

QUALIFICATIONS

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

Company Requirements as to General Qualifications

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

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

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

INTERNAL CORRESPONDENCE

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

JOB EVALUATION QUESTIONNAIRE

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

INTERNAL CORRESPONDENCE

Knowledge

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

Responsibility

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

Customer Contact

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

Decision Making and Complexity of Duties

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

Physical/Adverse Characteristics

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

Hazards

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

WAGE SCHEDULE

Starting Rates

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

INTERNAL CORRESPONDENCE

Progression Steps within a Wage Range

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

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

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

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

CONCLUSION

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

Very Truly Yours,



Patrick P. Gibson

The Cincinnati Gas & Electric Company

PSI Energy, Inc.

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

May 14, 2003

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



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

Dear Ms. Harthun:

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

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

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

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

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

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

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

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

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

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

For the Company:

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

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

For the Union:

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

Cc: J. O'Conner
J. Polley

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

June 10, 2004

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



Re: Post-Retirement Medical Benefits

Dear Ms. Harthun:

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

I. OVERVIEW OF HRA OPTION

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

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

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

Ms. Mary Harthun
June 10, 2004
Page 2

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

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

Ms. Mary Harthun
June 10, 2004
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- f. If the employment of a HRA Participant is involuntarily terminated in connection with an involuntary reduction in force and such termination is in no way related to performance deficiencies, the HRA Participant will be eligible to maintain his/her HRA balance as of termination. The HRA Participant will be able to use amounts held in his/her HRA Account immediately following the termination.
- g. For the term of the current Collective Bargaining Agreement, the Company will agree not to amend, modify or terminate retiree health care benefits for any active employees covered by the CBA. Amounts credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

II. QUESTIONS

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

1. Will the Company offer choice to all employees?

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

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

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

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

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

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

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

4. **What happens to the HRA balance upon disability or extended leave from the Company?**
A: See Section I(e).
5. **What happens to the HRA balance in the event of a termination of employment?**
A: See Section I.
6. **What happens to the HRA balance if I die while actively employed?**
A: See Sections I(c) and I(d). Currently, the spouse and eligible dependents of an employee who dies while actively employed with Cinergy can elect to become covered under the non-union medical plan and receive subsidized coverage at the active employee rate until death or a disqualifying event (for the spouse, this would include, but not be limited to, remarrying or becoming Medicare eligible; for an eligible dependent, it would include, but not be limited to, ceasing to qualify as an eligible dependent due to age).
7. **Will the Company contributions be indexed in future years (e.g., indexed to the trend line for health care costs)?**
A: No. At this time, we do not plan to align our service credit or interest credit to any index. However, the Company will continue to evaluate its crediting levels. Subject to any collective bargaining obligations, the Company reserves the right to make adjustments, including increasing, decreasing or discontinuing credits unilaterally.

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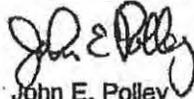
8. **Will the opening HRA balances be calculated with retroactive interest crediting?**
A: No. Making retroactive interest credits would be cost prohibitive from the Company's perspective.
9. **What are other companies doing with regards to post-retirement healthcare?**
A: See Hewitt survey previously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

Ms. Mary Harthun
June 10, 2004
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- A: Yes, one could elect to remain in the Traditional Option, and the other could elect the HRA Option; if they remain married during retirement and so elect, they would receive subsidized coverage under the Traditional Option and have access to amounts credited to the HRA on behalf of the other spouse. Regardless, the elections are independent of each other.

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

Very truly yours,


John E. Polley
General Manager
Labor Relations

cc: T. Verhagen
P. Gibson
K. Feld

bcc: L. Gregory

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

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

Summary of Post-Retirement Health Care Options

Current Post-Retirement Health Care Option

Employees hired before January 1, 2005, who elect the subsidy option and who retire from the company on or after age 50 with at least five years of service, may be entitled to a post-retirement health care subsidy from the company dependent on their years of service at retirement.

Subsidy Schedule:

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



April 13, 2012

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

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

Dear Mr. Anderson:

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

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

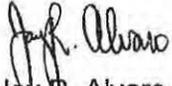
- All employees hired or rehired on or after January 1, 2005 and before January 1, 2013 will participate in the HRA Option. No employee hired on or after January 1, 2013 will participate in the HRA Option or the Traditional Option.
- No employee rehired on or after January 1, 2013 will continue to participate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

A-42a

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

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

Very truly yours,



Jay R. Alvaro
Vice President, Labor Relations



April 13, 2012

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

Dear Jim,

In September 2000 June 2002, and, again, in February 2004 revisions were made to the Customer Project Coordinator (CPC) position to resolve employee issues as well as prepare the organization for the competitive environment that we face. These changes have resulted in CPCs that are well trained and customer focused. Because we are again in need of making clarifications to the CPC position, this letter will serve to eliminate all preceding letters and describe the current status of the CPC position and the agreements that have been reached about the requirements associated with this position. The job description and the job qualifications are attached to this document (Attachments A and B).

The CPC position consists of three levels. Employees are expected to progress from the Apprentice Level through the Project Associate Level and finally to the Project Coordinator Level. At any time a CPC bids to a district location from the subdivision group, or vice versa, the employee will be given a reasonable amount of time, twelve (12) months, to become fully competent at the new project work. As needed, a development plan will be created at the time of the transition and the supervisor and employee will monitor progress to the plan.

The Apprentice skill level will be an entry level position and will be focused on training and practical reinforcement of that training, through field work, lasting a minimum of twelve (12) months and a maximum of twenty-one (21) months. This time requirement shall not be waived for any reason for any Apprentice CPC in order to ensure that all incoming employees are trained consistently on work tools and work processes. The Project Associate CPC will participate in a similar training format with more extensive project work. The minimum time required as a Project Associate will be a minimum of eighteen (18) months and a maximum of twenty-seven (27) months. For reasons already stated, the time requirement for the Project Associate will not be waived. A Project Associate will receive a geographic service territory assignment at some time during the twenty-seven (27) month period. This assignment will be determined by the supervisor. The Project Associate will be under direction of a CPC during this time but is expected to perform the routine activities associated with this service territory in order to prepare for promotional testing.

To be eligible to enter the CPC position, minimum qualifications must be met. An internal or external candidate must have completed an Associates degree from an accredited institution in one of the following engineering disciplines: Electrical, Mechanical, Electronics, Construction, or Civil. Candidates must also successfully complete Duke's customer service test before being considered for an interview.

Employees will be selected to the Apprentice program upon successful completion of an interview utilizing Duke's Competency Based Selection Process. This interview will assess both the employees' technical skills as well as their competency skills. The interview team will consist of two management, two union-represented employees and one Management Team Member outside of Distribution Design.

The union-represented team members will actively participate in the interview process. Seniority will only be considered if there are two internal candidates that are equally qualified.

Once the candidates have been selected, classified seniority will be determined by the following:

- a. Successful internal candidates will be ranked first according to their hire date.
- b. Candidates that have co-op experience will then be ranked by drawing numbers, and
- c. External candidates will be ranked, after both internal candidates and candidates with co-op experience, by drawing numbers.

Apprentice level CPCs will be hired into a training location that will serve as their reporting headquarters during their twelve (12) – twenty-one (21) month training period reporting to a Distribution Design Supervisor. Upon successful completion of their Apprentice training, Distribution Design' management will identify openings in one or more of the following five (5) CPC bidding areas:

- Central (Monfort Heights, Hartwell, Queensgate, Dana Electric)
- North (Todhunter, Brecon, Fairfield)
- East (Little Miami, Batavia, Eastern Ave., Hamlet)
- South (Erlanger)
- Monfort Heights (Subdivision)

Consideration will be given to the Customer Project Coordinators requests to be reassigned to a different headquarters within an Area prior to bidding; however, management retains the right to assign employees in the Customer Project sequence to any headquarters within an Area without the use of a posting. The area opening(s) will then be posted for cross bid by all qualified candidates. Candidates will be considered based on their classified seniority date. Resulting Area opening(s) will then be available for bid by the newly qualified Project Associate(s). Project Associate(s) will be considered based on their classified seniority date.

When Project Associates are promoted to the Project Coordinator position, through those steps described below, there will be no need for an additional posting. They will promote in the area they are currently assigned. Management has the right to assign employees in the Customer Project Coordinator job sequence to any headquarters within an area without the use of a posting.

Promotion from Apprentice to Project Associate or from Project Associate to Project Coordinator will consist of three requirements that all must be successfully completed. These requirements include:

- Supervisor's review and recommendation
- Written test
- Field test

If an employee fails to pass these requirements initially, he/she will be given three (3) months to prepare to retake only those requirements that were not completed successfully. The three (3) months will begin once the supervisor has reviewed the results of the original test with the employee. Should an employee not successfully complete these requirements after that time, the employee will be terminated from employment with the Company.

An Apprentice also cannot have any disciplinary action six (6) months prior to promotion beyond an oral warning. An Apprentice can be eligible to take the promotional test (once the above requirements are satisfied), but he/she will not be promoted until there is a six-month period without any discipline. A Project Associate cannot have any disciplinary action six (6) months prior to promotion beyond an oral warning. Similarly, a Project Associate can be eligible to take the promotion test, but he/she will not be promoted until there is a six-month period without discipline.

The tests referred to above have been created jointly by a union-management committee and will be routinely updated to reflect changes in standards, policies, and process improvements. (These updates will be shared with all CPCs through their Distribution Design Supervisor.) This test will be used as a learning tool to enhance the CPCs' knowledge of job skills. Providing an employee the opportunity to retake the test and learn from the experience shifts the emphasis from testing to learning. However, as previously discussed, the employee has the responsibility to attain the skills needed and complete the requirements for promotion or terminate employment with Duke. Should this promotional process result in an abundance of grievances between union and management, the process will be reviewed and validation of the aforementioned tests will be evaluated.

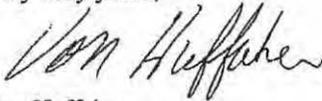
Although the employee will bid a work location at the time an employee advances to the Project Associate level, employees in the Project Associate level are expected to accept job assignments in the Distribution Design organization to develop a thorough understanding of the entire Customer Project Coordinator job description. The union-management team working on the test issues reached a decision that one test (for each level) would be created that provided a test that assessed widely used Customer Project Coordinator skills. In making this determination, the team supported the concept that all CPCs should have certain knowledge regardless of their permanent choice of district or subdivision work. Hence, only one set of tests (written and field) will exist for each skill level – Apprentice and Project Associate.

Merit increases will continue to be handled as described in a letter from Jerry Baird to Pat Bradford dated March 17, 2000. The merit increases will be based on those competencies that the CPC performs as part of their regular duties.

In the event of future reductions in the CPC job classification, rollbacks will be based on the lowest skill level by system seniority.

It is believed that the aforementioned accurately describes our agreement regarding the CPC job classification. In regards to the CPC job classification; this agreement will take precedence over all contradictory provisions of the labor agreement. This agreement can be amended or modified at any time by written consent of both parties. In addition, this agreement is not intended to set a precedent for any current or future similar situations, grievances or arbitration. If you concur with this agreement, please sign, date and return a copy of this letter to me.

Very truly yours,



Von Huffaker
Manager Distribution Design

April 21, 2005

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

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



Re: Temporary Upgrading

Dear Mr. Anderson:

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

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

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

Very truly yours,

A handwritten signature in black ink that reads "John E. Polley". The signature is written in a cursive style with a large, prominent "J" and "P".

John E. Polley
General Manager
Labor Relations

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April 21, 2005

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

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



Re: East Meter Reading

Dear Mr. Anderson:

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

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

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

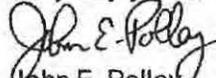
1. The meter reading work force will receive any base wage percentage increases applicable to the rest of the clerical workforce.
2. The starting wage rate for part-time meter readers will continue to be \$12.00/hour. The minimum wage rate for new full-time meter readers will continue to be \$14.00 per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

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

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

Very truly yours,



John E. Polley
General Manager
Labor Relations

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

April 21, 2005

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



Re: Interplant Seniority Rights

Dear Mr. Anderson:

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

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

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

Very truly yours,

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

John E. Polley
General Manager
Labor Relations

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

April 21, 2005

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



Re: Treatment for Substance Abuse

Dear Mr. Anderson:

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

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

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

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

Very truly yours,

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

John E. Polley
General Manager
Labor Relations

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

April 21, 2005

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



Re: Personal/Diversity Day Requests

Dear Mr. Anderson:

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

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

Very truly yours,

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

John E. Polley
General Manager
Labor Relations

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April 21, 2004 2005

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

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



Re: Vacation Carryover

Dear Mr. Anderson:

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

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

This letter describes the agreement concerning the carryover of vacation.

Very truly yours,

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

John E. Polley
General Manager
Labor Relations

April 21, 2004 2005

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

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

Re: Job Elimination Situations



Dear Mr. Anderson:

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

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

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

This accurately reflects the agreements reached between the parties.

Very truly yours,

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

John E. Polley
General Manager
Labor Relations

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

June 2, 2008

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

RE: Health Care Benefits

Dear Mr. Anderson:

During the 2008 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the cost of providing health care benefits to the employees. The Company and the Union agreed to the terms set forth below for the specially negotiated 2009 – 2012 EPO Plan design to be provided to the employees during the term of the 2008 – 2012 Agreement, and for other enterprise plans to be made available to employees at the Company's discretion.

Specially Negotiated EPO Plan

1. From January 1, 2009 through December 31, 2012, the Union members will have access to the specially negotiated medical coverage options set forth in the attached Exhibit "A" ("UWUA 2009 – 2012 Enhanced EPO Plan Design"). This Medical coverage will be provided pursuant to the terms of the Duke Energy Medical Plan, with benefit levels no less favorable than those outlined in Exhibit "A," attached hereto.
2. From January 1, 2009 through December 31, 2009, the Union members will be provided a subsidy equal to 82.5% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents. From January 1, 2009 through December 31, 2009, the Union members will pay 17.5% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents.

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

3. From January 1, 2010 through December 31, 2010, the Union members will be provided a subsidy equal to 80% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents. From January 1, 2010 through December 31, 2010, the Union members will pay 20% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents.
4. From January 1, 2011 through December 31, 2011, the Union members will be provided a subsidy equal to 77.5% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents. From January 1, 2011 through December 31, 2011, the Union members will pay 22.5% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents.
5. From January 1, 2012 through December 31, 2012, the Union members will be provided a subsidy equal to 75% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents. From January 1, 2012 through December 31, 2012, the Union members will pay 25% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents.

Very truly yours,



Jay R. Alvaro
Vice President

Attachment

UWUA
2009 - 2012 Enhanced EPO Plan Design

Exhibit A

PROPOSED Plan Type Plan Name	Not to Exceed in 2009 Exclusive Provider Organization ENHANCED EPO OPTION	Not to Exceed in 2010 Exclusive Provider Organization ENHANCED EPO OPTION	Not to Exceed in 2011 Exclusive Provider Organization ENHANCED EPO OPTION	Not to Exceed in 2012 Exclusive Provider Organization ENHANCED EPO OPTION
<u>Coinsurance Percentage (after deductible or copay):</u>				
In-Network	100%	100%	100%	100%
Out-of-Network (subject to reasonable & customary charges)	N/A	N/A	N/A	N/A
<u>Annual Deductible:</u>				
In-Network	\$0	\$0	\$0	\$0
Out-of-Network	N/A	N/A	N/A	N/A
<u>Out-of-Pocket Maximum:</u>				
In-Network	\$0 Individual; \$0 Family	\$0 Individual; \$0 Family	\$0 Individual; \$0 Family	\$0 Individual; \$0 Family
Out-of-Network	N/A	N/A	N/A	N/A
<u>Lifetime Coverage Limit:</u>				
	Limit does not apply	Limit does not apply	Limit does not apply	Limit does not apply
<u>Primary Doctor Office Visit:</u>				
In-Network	\$30 copay	\$35 copay	\$35 copay	\$45 copay
Out-of-Network	N/A	N/A	N/A	N/A
<u>Specialist Office Visit:</u>				
In-Network	\$40 copay	\$45 copay	\$45 copay	\$55 copay
Out-of-Network	N/A	N/A	N/A	N/A

UWUA
2009 - 2012 Enhanced EPO Plan Design

Exhibit A

PROPOSED Plan Type Plan Name	Not to Exceed in 2009 Exclusive Provider Organization - ENHANCED EPO OPTION	Not to Exceed in 2010 Exclusive Provider Organization - ENHANCED EPO OPTION	Not to Exceed in 2011 Exclusive Provider Organization - ENHANCED EPO OPTION	Not to Exceed in 2012 Exclusive Provider Organization - ENHANCED EPO OPTION
<u>Outpatient Surgery:</u>				
In-Network	\$80 copay	\$65 copay	\$65 copay	\$75 copay
Out-of-Network	N/A	N/A	N/A	N/A
<u>Outpatient X-Ray:</u>				
In-Network	\$0 copay, MRI, CAT, and PET scans; 100% covered - all other x-ray services	\$0 copay, MRI, CAT, and PET scans; 100% covered - all other x-ray services	\$0 copay, MRI, CAT, and PET scans; 100% covered - all other x-ray services	\$0 copay, MRI, CAT, and PET scans; 100% covered - all other x-ray services
Out-of-Network	N/A	N/A	N/A	N/A
<u>Hospital Copay:</u>				
In-Network	\$275 copay per admission	\$300 copay per admission	\$300 copay per admission	\$350 copay per admission
Out-of-Network	N/A	N/A	N/A	N/A
<u>Emergency Room (not followed by admission):</u>				
In-Network	\$85 copay, copay waived if admitted	\$100 copay, copay waived if admitted	\$100 copay, copay waived if admitted	\$125 copay, copay waived if admitted
Out-of-Network	N/A	N/A	N/A	N/A

UWUA
2009 - 2012 Enhanced EPO Plan Design

Exhibit A

PROPOSED Plan Type Plan Name	Not to Exceed in 2009 Exclusive Provider Organization ENHANCED EPO OPTION	Not to Exceed in 2010 Exclusive Provider Organization ENHANCED EPO OPTION	Not to Exceed in 2011 Exclusive Provider Organization ENHANCED EPO OPTION	Not to Exceed in 2012 Exclusive Provider Organization ENHANCED EPO OPTION
Urgent Care Clinic Visit:				
In-Network	\$60	\$55	\$65	\$75
Out-of-Network	N/A	N/A	N/A	N/A
Prescription Drugs:				
Retail annual deductible (In- and Out-of-Network)	N/A	N/A	N/A	N/A
Retail generic	\$15	\$15	\$15	\$20
Retail formulary brand*	\$30	\$30	\$30	\$40
Retail nonformulary brand	\$60	\$60	\$60	\$80
Mail order generic	\$38	\$38	\$38	\$50
Mail order formulary brand*	\$75	\$75	\$75	\$100
Mail order nonformulary brand	\$150	\$150	\$150	\$200

[^] *Coinsurance applies to charges in excess of the copay*

^{*} *If brand is purchased when generic is available, brand copay plus cost difference between brand and generic drug*



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

June 2, 2008

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

RE: Retirement Plan Agreement

Dear Mr. Anderson:

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

Traditional Retirement Program Frozen:

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

Voluntary Conversion Opportunities:

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

Voluntary Conversion to the New Retirement Program:

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

AND

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

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

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

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

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

With Mandatory Conversion to the New Retirement Program:

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

Employees Currently in the Cash Balance Plans:

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

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

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

NEW RETIREMENT PROGRAM – UEIP

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

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

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

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

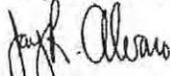
TRADITIONAL RETIREMENT PLAN – UEIP

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

The Retirement Conversion Agreement Survives the 2008 – 2012 Contract:

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

Very truly yours,



Jay R. Alvaro
Vice President



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

June 2, 2008

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

RE: Sabbatical Vacation Bank and Vacation Credit Programs

Dear Mr. Anderson:

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

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

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

Very truly yours,

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

Jay R. Alvaro
Vice President

Attachment

ATTACHMENT A

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

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

THE CHANGES:

Sabbatical Vacation Program:

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

Vacation Credit Program:

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

Service Credit Program:

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

THE SCHEDULE:

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



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

June 2, 2008

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

RE: Union Employee Annual Incentive Program (UEIP)

Dear Mr. Anderson:

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

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

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

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

NEW RETIREMENT PROGRAM – UEIP

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

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

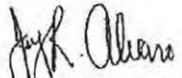
Annual Incentive Plan Summary Changes for those who remain in the Traditional Retirement Program:

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

TRADITIONAL RETIREMENT PLAN – UEIP

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

Very truly yours,


Jay R. Alvaro
Vice President



April 13, 2012

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

Re: Cincinnati Call Center

Dear Mr. Anderson:

During the 2012 contract negotiations, representatives of the Company and the UWUA, Local 600 (the "Union") discussed the Duke Energy Cincinnati Call Center.

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

The Cincinnati Call Center wages will be administered per the attached (Attachment A). None of the existing CSRs will have their wage rate reduced as a result of these changes. Employees hired after April 1, 2012 or promoted to the Customer Service Representative – Service Installation (CSR-SI) will receive a \$0.25 merit increase every six months in accordance with the December 29, 2000 Patrick P. Gibson Letter in lieu of the annual general wage increase until reaching the maximum rate of pay. Once an employee reaches the maximum rate of pay, they will receive an annual lump sum equal to the negotiated general wage increase for clerical employees.

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

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

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

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

The Union agrees to support the following:

Virtual Routing (Base Call Center)

- The Union agrees to not grieve the routing of Duke Energy customer calls and other types of Call Center non-call work to available representatives within the Duke Energy Call Centers or outsourced center(s). The outsourced portion of this work is not subject to the Labor Management Executive Committee outsourcing process developed in December of 2004, or any subsequent related side-letter agreements.

Staffing Mix

- The Company has the right to offer full-time new CSR positions directly to part-time CSRs based on performance criteria established by management. If the performance of two or more part-time CSRs is equal, years of service in the Cincinnati Call Center will be used as a tie-breaker. In order to qualify for the position of full-time new CSR, an employee must have one year of experience in the Cincinnati Call Center within the last three years.
- Full-time new and part-time representatives, within the Cincinnati Call Center, who demonstrate, through assessment, that they are fluent in Spanish, will be paid a premium of \$1.00 per hour.

Applicable to Base Call Center Operations

Employees may be hired either as full time or part time based on business needs. A new classification, Full Time New (FTN) – Probationary, will be established. Employees hired as FTN – Probationary will start at the Part Time (New) wage rate which is currently \$11.00 per hour. Upon the successful completion of the employee's probationary period, the employee will be reclassified as Full Time (New) and their hourly rate will increase to \$13.00 per hour. Based on business needs there may be a requirement for part time CSRs. If new full time CSRs are being hired, existing part time

CSRs will be offered full time positions and classified as Full Time (New) at the appropriate wage rate.

Management agrees to review the necessary criteria to determine if part-time employees qualify to be converted to full-time employees each quarter. Those employees that qualify will be given the opportunity to become full-time CSRs each quarter, as long as business needs dictate.

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

In addition to existing work schedules, two new schedules are being implemented;

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

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

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

Employees scheduled to work the actual calendar holiday that are excused from work by the Company will receive holiday pay for the regularly scheduled hours they would have worked on the actual calendar holiday. All other employees will receive 8 hours of holiday pay. Twelve hour and nine hour employees working on the actual calendar holiday will receive time and one-half pay for their scheduled hours worked on the actual calendar holiday. If the employee exceeds their scheduled hours, double time will be paid for those hours worked in excess of their schedule.

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

Applicable to Service Installation

A new classification, Customer Service Representative – Service Installation (CSR-SI), will be established within the Customer Relations bid area with a minimum wage rate of

\$16.00 and a maximum wage rate of \$18.50 per hour. Only full time employees will be considered for this position. The minimum and maximum wage rates are not subject to the negotiated annual wage increases. For the first 12 months after entry into the classification, and in accordance with the Patrick P. Gibson Letter, employees failing to meet performance standards may be demoted to the Full Time New job classification. Such demotion may take place prior to corrective action being taken. This does not preclude action being taken on more serious offenses such as but not limited to attendance, zero tolerance calls, or any dischargeable offense. Any demotion will not be subject to the grievance procedure. If such a demotion occurs, the employee's rate of pay will be reduced to the rate of pay at the time the employee promoted to the CSR-SI position plus any merit increase that the employee had received since their promotion, not to exceed the maximum wage rate for the FTN classification. If the employee is demoted, they will not be considered for promotion for an additional 12 months, from the date of demotion or last corrective action. During the first six months, an employee can request to demote from CSR-SI. Employees who demote within six months will retain their classified seniority. Employees demoted after six months will receive an adjusted seniority date.

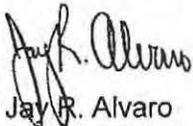
Employees in the CSR-SI classification will receive a \$0.25 merit increase every six months in accordance with the December 29, 2000 Patrick P. Gibson Letter in lieu of the annual general wage increase until reaching the maximum rate of pay. Once an employee reaches the maximum rate of pay, they will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

Incumbent employees in the Order Processing Representative and Sr. Order Processing Representative will be placed in the Customer Relations bid area.

The Company reserves the right to implement other schedules based on business needs. At least 30 days prior to implementation, the Union and Company will meet to discuss the schedule. Nine and twelve hour shift schedules will be implemented as outlined for Base Call Center operations.

This letter will be in effect during the term of the 2012 – 2015 Agreement.

Very truly yours,



Jay R. Alvaro
Vice President, Labor Relations

Attachments

Attachment A – Wage Rates

Title	Negotiated Base Wage Increases	Wage Range	Merit Increases	Corporate Incentive Bonus	Call Center Incentive Bonus
CSR – FTN	Same as clerical	\$13.00 - \$15.08	Normal	Yes	Up to \$500 per quarter
CSR – PTI	Same as clerical	\$15.08	N/A	Yes	Up to \$375 per Quarter
CSR – PTN	Same as clerical	\$11.00 - \$12.00	Normal	Yes	Up to \$375 per Quarter
Service Installation Rep	See #3	\$16.00 - \$18.50	See #4	Yes	Up to \$500 per quarter
CSR – FTN(P) ¹	See #3	\$11.00 - \$11.25	See #4	Yes	Up to \$500 per quarter
CSR – PTN ²	See #3	\$11.00 - \$12.00	See #4	Yes	Up to \$375 per Quarter

1. *The minimum and maximum wage rates for the Service Installation Representative, CSR-PTI, CSR-FTN, CSR-FTN(P), and CSR-PTN positions will not increase with annual base wage increases.*
2. *Any CSR-FTN, CSR-PTI, and CSR-PTN with a wage rate at or above the maximum will receive their annual increase in the form of a lump sum rather than a base increase.*
3. *Semi-annual merit increases in lieu of General Wage Increase.*
4. *\$.25 every six months. After maximum is reached employee will receive a lump sum increase equal to the negotiated annual wage increase for clerical employees.*
5. Order Processing Representatives assigned to take base calls at least 35% of the quarter will be eligible to receive the quarterly Call Center Incentive based on their performance.

¹ Hired after 4/1/12

² Hired after 4/1/12



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

June 2, 2008

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

RE: Part-Time Employee Benefits

Dear Mr. Anderson:

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

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

Very truly yours,

Jay R. Alvaro
 Vice President



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

June 2, 2008

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

RE: Meter Reading Travel Allowance

Dear Mr. Anderson:

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

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

Very truly yours,

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

Jay R. Alvaro
Vice President

A-63



April 13, 2012

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

RE: Revenue Services Representatives

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed consolidating the current three work groups within the Revenue Services Department into one newly created job classification titled "Revenue Services Representative" (RSR). Based on these discussions, the parties agreed to create the RSR position in accordance with this letter.

Specifically, Revenue Services currently is comprised of three work groups: (1) Billing, (2) Ohio/Kentucky Receivables, and (3) Payment Exceptions. These three work groups' functions will be combined and performed by the newly created RSR position. The job description for the RSR position is Attachment A to this letter.

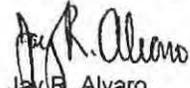
1. **Wage Rate:** The minimum rate of pay for the RSR position is established at \$16.00 per hour, and the maximum wage rate is \$18.50 per hour. The minimum and maximum wages will not increase during the term of the contract.
2. **Merit Increases:** Employees in the RSR position may progress to the maximum wage rate through merit increases at six month intervals. Employees will be eligible for \$.25 merit increases in accordance with the December 29, 2000 Patrick P. Gibson Letter. Employees at the maximum rate of pay will receive an annual merit increase in a lump sum amount equal to the negotiated general wage increase for clerical employees, which may be in the form of a percentage pay increase and/or lump sum amount.
3. **Selection.** The Company will give first consideration to full-time employees over part-time employees in the competency-based selection process for the RSR position when all other things are equal.
4. **Incumbent Employees.** Incumbent employees will perform all functions of the newly created job description but will be considered grandfathered in their existing classifications. Incumbent employees will continue to receive the negotiated general wage increases applicable to their current job classifications in accordance with the Collective Bargaining Agreement. In addition, these employees will retain all bid and rollback rights in the Customer Relations Bidding Area.
5. **Tamper Theft-Type Work.** The Company and the Union agree to establish a \$1.50 per hour premium to be paid to employees in the RSR position when management assigns them to perform tamper theft-type work. Management will assign full-time employees to perform tamper theft-type work as needed. Any employee who has received a verbal warning in the past six months, or a disciplinary letter or higher level discipline in the past year will not be considered. Such employees are eligible for consideration once his or her record is free from a verbal warning for six months, and/or free from any disciplinary letter or higher level discipline for one year. It is anticipated the number of employees performing this work will vary based on work load.

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

This letter will be in effect during the term of the 2012 – 2015 Agreement.

Very truly yours,


Jay R. Alvaro
Labor Relations

Attachment

(NEW: 04-01-2012)
(CUSTOMER RELATIONS)
REVENUE SERVICES

60667

CLASSIFICATION: REVENUE SERVICES REPRESENTATIVE

A. DUTIES:

Under general supervision, on various work schedules, primary responsibilities include timely and accurately billing, processing customer payments, and receivables management for the Company's customers. Responds to and resolves internal and external customer requests, inquiries, and complaints; performing such duties as:

1. Coordinates with other groups/departments to resolve issues to meet customer expectations.
2. Uses computerized systems for tracking, information gathering, data corrections/workfiles and/or troubleshooting.
3. May answer inquiries and resolve problems.
4. Requires knowledge of the organization, products, and/or services.
5. May respond to internal or external customer inquiries.
6. Requires ability to navigate computerized data entry systems or other relevant applications.
7. Analyzes all available data and resources to take action and correct or resolve routine situations.
8. Accepts and resolves routine issues from other sources.
9. Performing similar or lesser skilled work.

B. QUALIFICATIONS:

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

1. Knowledge of regulatory agencies' rules and regulations.
2. 1 - 2 years experience with residential, commercial and industrial Customer Service.
3. High School Education or Equivalent.
4. Ability to adapt well to process and Technology changes.
5. Multi-task oriented with the ability to work efficiently in stressful situations.
6. Ability to actively listen while entering detailed customer information.

(NEW: 04-01-2012)
(CUSTOMER RELATIONS)
REVENUE SERVICES

60667

CLASSIFICATION: REVENUE SERVICES REPRESENTATIVE

B. QUALIFICATIONS: - (Cont'd)

7. Demonstrates effective communication skills (both oral and written).
8. Interacts well with both internal and external customers.
9. Ability to process analytical problems and initiate appropriate actions to support safety, first contact resolution and customer satisfaction.
10. Ability to read instructions/documents and comprehend the context then execute the details.
11. Demonstrate problem solving skills.
12. Maintain composure in demanding and difficult situations.
13. Ability to use good time management skills to fulfill tasks.
14. General knowledge of CMS / CMSi .
15. Demonstrated ability to use Microsoft Office Products (Word, Excel, PowerPoint, Outlook, etc.).
16. Ability to work together as a team and support Revenue Services initiatives.



April 13, 2012

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

RE: Competency Based Selection

Dear Mr. Anderson:

During the 2012 negotiations, the Company and Union discussed the implementation of a Competency Based Selection Process for certain job classifications. Specifically, this process will be utilized when filling certain clerical jobs designated as Level N8 and above and certain technical jobs designated as level T4 and above. This will ensure that the most qualified candidate is selected for the position and is more likely to succeed.

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

- Job applications/ resumes will be screened to determine that minimum qualifications are met
- Candidates meeting the minimum qualifications will be evaluated based on the following factors: skills and qualifications, prior job performance and/or experience and in certain positions, a Basic Skills Assessment
- Company employees will be provided with advantage points in the process that will not be provided to external applicants
- Seniority will be the deciding factor if there are two internal candidates that are equally qualified as determined by the Company

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

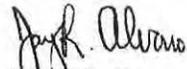
CLERICAL	TECHNICAL
Gas Operations Administrator	Corrosion Technician A
Administrative Office Clerk	Gas Technician
Electric Operations Clerk	Control Technician III
Order Processing Representative	Technician
Sourcing/Purchasing Associate	Control Technician II
Customer Relations Representative B (excluding cross-bids)	Gas Layout Technician
Gas Document Specialist	T&D Support Technician
Customer Relations Clerk B (excluding cross-bids)	Control Technician I
Office Coordinator	Sr. Gas Layout Technician
Revenue Services Representative	GIS Technician II
Service Installation Representative	GIS Technician I
	GIS Team Lead
	LIT Support Agent II
	LIT Support Agent I

CLERICAL	TECHNICAL
	T&D Design Technician
	Operations Technician
	Sr. Substation Design Technician
	Sr. Surveying Technician
	Sr. T&D Design Technician
	Substation Design Technician
	Surveying Technician
	Sr T&D Support Technician

Future openings in the Customer Relations Representative B and Customer Relations Clerk B classifications will be filled using the Competency Based Selection Process and initially offered to employees in the following full-time classifications: Customer Relations Representative C, Customer Relations Clerk C, Meter Reading Incumbents and Order Processing Representatives.

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

Very truly yours,



Jay R. Alvaro
Vice President, Labor Relations



April 13, 2012

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

RE: Seniority Listing for filling Office Coordinator positions

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed the Seniority Listing previously used for filling Office Coordinator openings.

Based on these discussions, the parties agreed that all incumbents on the Seniority Listing dated January 1, 2012 (see attached) who are in good standing will be offered an opportunity to participate in the competency-based selection process for hiring into the Office Coordinator position. Following the testing process, management will select candidates to be interviewed. The Company agrees to provide an advantage point(s) to the overall score of incumbents participating in the process. Incumbents who either choose not to participate in the process; do not meet the testing minimum threshold; are interviewed and not selected; or decline to interview, will be removed from the Seniority Listing. No additional employees will be added to this Seniority Listing.

Very truly yours,

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

Jay R. Alvaro
Vice President, Labor Relations

A-66

SENIORITY LISTING FOR FILLING OFFICE COORDINATOR POSITIONS

Emp. #	Loca Code	Name	Current Job Title	Job #	Level 7 Classified Seniority Date	Sub
017747	EXCIN	Thomas Biederman	Electric Operations Clerk	60764	3/18/1991	1
064000	EF360	Jennifer Pierce	Electric Operations Clerk	60764	10/28/1991	
026475	EXCIN	Lynda Galinari	Administrative Office Clerk	60035	7/4/1994	
068915	EF360	Debbie Rogers	Electric Operations Clerk	60764	11/30/1998	7
051300	EMCIN	Maureen Macke	Administrative Office Clerk	61995	12/27/1998	
082800	EXCIN	Jo Sullivan	Administrative Office Clerk	60035	6/1/2000	
017561	EMCIN	Mattie Bailey	Electric Operations Clerk	60764	10/16/2000	2
018198	EYCIN	Arnetta Williams	Order Processing Rep.	60035	4/30/2001	3
052301	EXCIN	Elizabeth Martin	Gas Operations Admin.	60829	8/18/2003	
018465	EXCIN	Eugenia Davis	Sr. Stenographer	61995	9/1/2004	
087558	CYCIN	Cynthia Ward	Order Processing Rep.	61475	1/31/2005	
081629	EMCIN	Shauna Stolz	Gas Trans. & Supply Admin. I	60833	9/18/2006	
017841	EYCIN	Deborah Boothe	Administrative Office Clerk	60035	10/9/2006	2
065705	EYCIN	Christina Ramsey	Order Processing Rep.	61475	12/18/2006	1
090380	EYCIN	Tracey Wiley	Order Processing Rep.	61475	12/18/2006	2
045560	EYCIN	Janet Knaley	Order Processing Rep.	61475	12/18/2006	3
066332	EYCIN	Clifford Reekers	Order Processing Rep.	61475	12/18/2006	4
049631	EYCIN	Leila Ligon	Order Processing Rep.	61475	12/18/2006	5
063940	EXCIN	Linda Piccirillo	Gas Operations Admin.	60829	1/29/2007	
017654	EF330	DawnElla Cunningham	Administrative Office Clerk	60035	2/12/2007	
069770	EF213	Jackie Ross	Administrative Office Clerk	60035	5/7/2007	
018225	EF360	Janet Chadwick	Sr. Stenographer	61995	8/27/2007	
018385	EF360	Paula Courtney	Gas Operations Administrator	60829	A09-20-2007	
018308	EXCIN	April Collins	Gas Operations Administrator	60829	1/14/2008	
077770	EYCIN	Cynthia Smith	Order Processing Rep.	61475	2/8/2010	1
019869	EYCIN	Michelle Hetzer	Order Processing Rep.	61475	2/8/2010	2
017547	EXCIN	Nancy Avila	Gas Operations Administrator	60829	2/22/2010	
032161	EMCIN	Lovell Knight	Order Processing Rep.	61475	1/17/2011	1
033013	EMCIN	Priscilla Jackson	Order Processing Rep.	61475	1/17/2011	2
033222	EMCIN	Teniesha Wright	Order Processing Rep.	61475	1/17/2011	3



April 13, 2012

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

RE: New Service Contact Center

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed the impact of newly created job classifications for Revenue Services Representative (RSR) and Service Installation Representative (SIR) on the existing employees in the New Service Contact Center ("NSCC Incumbents").

Based on these discussions, the parties agreed that incumbent Order Processing Representatives in the NSCC, in good standing, will be offered an opportunity to participate in the first competency-based selection process for hiring into the new RSR position. Through that process, the Company agrees to accept up to (2) two NSCC Incumbents. Order Processing Representatives who move to the RSR position under this letter, if any, will be red-circled for a period of (6) six months in their new position. At the end of 6 months, their wage rates will be reduced to the maximum wage rate of the RSR position.

Very truly yours,

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

Jay R. Alvaro
Vice President, Labor Relations

A-67



April 13, 2012

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

RE: Customer Relations Bid Area

Dear Mr. Anderson:

During the 2012 negotiations, the parties discussed Job Enrichment within the Customer Relations bid area.

Based on these discussions, the parties agreed that future job openings within the Customer Relations Representative A, Customer Relations Clerk A, Customer Relations Senior Representative and Customer Relations Senior Clerk job classifications will be filled based on promotion. Requests for lateral and cross-bid assignments will be considered if no one elects to seek promotion.

All employees classified as Customer Relations Representative "B", "C", "D" and Customer Relations Clerk "B", "C" and "D" are eligible to receive \$8.00 (\$0.20 every 6 months) merit increases instead of the current \$4.00 (\$0.10 every 6 months) merit increases. Upon attaining the sixth merit increase in one of the aforementioned job classifications, the employee's wage rate will be raised to the maximum wage rate for that job classification.

Very truly yours,

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

Jay R. Alvaro
Vice President, Labor Relations



April 13, 2012

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

Re: Meter Reading Transition Assistance Program

Dear Mr. Anderson:

During 2012 contract negotiations, the parties discussed the future of the Ohio/Kentucky Meter Reading Department ("Department") in light of the Company's Smart Grid implementation.

Duke Energy promotes continuing development of employees by covering the costs of various courses, programs, and exams under the Corporate Continuing Education Policy (HR 10012P). The Department desires to provide employees in the Department with a Transition Assistance Program in addition to the Corporate Continuing Education Policy. This will provide Department employees with the opportunity to continue their development in anticipation of the elimination of their function by Smart Grid technology.

The Transition Assistance Program ("Program") is a departmental benefit available to only active, regular, full-time and part-time employees in the Department, as determined by the Company, in its sole discretion.

In 2012, 2013 and 2014, eligible employees who comply with the requirements set forth in this letter will be eligible to be reimbursed for up to \$1,500/per calendar year in expenses incurred during the year in connection with pre-approved courses that are not otherwise covered under the Corporate Continuing Education Policy, for a total benefit of up to \$3,000 over the three-year period ending on December 31, 2014. The following requirements apply:

- Courses must be pre-approved in writing by Department management prior to beginning course work. There must be a specific start and end date for each class that does not exceed six months. Job elimination that occurs while the employee is taking a pre-approved course will not prevent reimbursement.
- Courses must be completed no later than December 31, 2014.
- Courses will be reimbursed upon successful completion, defined as employees receiving a grade of A, B, C, or Pass if taken on a Pass/Fail basis.

A-69

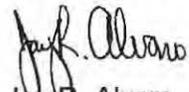
- Expenses eligible for reimbursement include only tuition and related registration and lab fees.
- Within sixty (60) days after course completion, the employee must complete the Company form for reimbursement and attach original hard copy supporting documentation (grade report and itemized tuition/fee bill on institution letterhead) and mail or otherwise deliver the documentation to the departmental Human Resources Business Partner.
- Reimbursement limits apply to the year in which the expenses are actually incurred, and the employee is not permitted to carryover unused amounts from year-to-year. Employees are encouraged to consult their tax advisor for information on potential tax issues.

An employee does not have to be working toward a degree to be eligible for this Program. Employees are expected to attend classes during off duty hours and to be cost effective consumers of educational services by considering course and location options that meet their needs and are cost competitive.

Program reimbursements that are considered taxable benefits will be subject to applicable tax withholding and will be paid in accordance with the terms, and subject to the conditions, of the Duke Energy Corporation Section 409A Payment Policy. Amounts reimbursed pursuant to this Program will not be taken into account when determining any employee's benefits under any other benefit plan or program maintained by Duke Energy Corporation and/or its affiliates (e.g., pension and/or 401(k) plans).

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

Very truly yours,



Jay B. Alvaro

Vice President, Labor Relations



UWUA - VOLUNTARY SEVERANCE PROGRAM

April 13, 2012

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

Severance Payment Formula

- The lump-sum payment for eligible full-time employees will be equivalent to two (2) weeks of annual base pay per each full year of service.
- The lump sum payment for eligible part-time Meter Reading employees will be equivalent to one (1) week of annual base pay per each full year of service.
- The maximum severance payment will not exceed two times an employee's annual compensation calculated as two times the compensation listed in Box 5 of the employee's most current W-2.

Additional Benefits

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

Design Features

- Volunteers for the severance will be accepted in the order of system service (i.e., the volunteer with the most system seniority would be accepted first; 2nd most seniority accepted second, and so forth). The number of volunteers will not exceed 115 clerical employees (excluding Meter Reading employees), unless otherwise agreed by the Union and the Company. There will be no cap on the number of volunteers in the manual job classifications.
- Approved volunteers are required to remain employed in good standing until their release date, which will be established by management in its sole discretion as early as the last day of the second month following the close of the Voluntary Window, and in any event, no later than December 31, 2013, with the exception of the Meter Reading Department. The Meter Reading Department may establish release dates in its sole discretion no later than December 31, 2014.
- Approved volunteers must sign and not revoke a Waiver and Release of All Claims in order to receive any benefits under this Program.
- Employees who separate under this Program will not be eligible for rehire or for staff-augmentation contingent worker (contractor) assignments for 12 months after their release date.

The Company shall designate who will be eligible for the voluntary severance program, in its sole discretion. Subject to final approval, the Company intends at this time to offer the voluntary severance program to full-time employees in manual job classifications in

Facilities Management, full-time employees in all clerical job classifications (excluding base Call Center representatives), and part-time employees in the Meter Reading Department.

This document contains selected highlights of proposed Duke Energy's employee benefits plans, and is subject to approval by the Chief Human Resources Officer. If any statement herein, or any other communication, conflicts with applicable plan documents, the plan documents shall govern. Duke Energy retains the right to amend, modify or terminate its benefits plans in any respect and at any time, and neither its benefits plans, nor your plan participation, shall be considered a contract for future employment.



April 13, 2012

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

Re: Overtime Provisions

Dear Mr. Anderson:

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

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

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

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

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

Very truly yours,

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

Jay R. Alvaro
Vice President, Labor Relations

A-71



April 13, 2012

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

Re: Outsourcing Affecting Job Elimination

Dear Mr. Anderson:

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

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

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

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

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

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

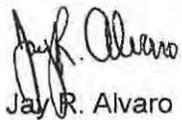
A-72

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

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

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

Very truly yours,



Jay R. Alvaro
Vice President, Labor Relations



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

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

November 16, 2009

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

RE: LIT Support Agent Job Progression

Dear Mr. Anderson:

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

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

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

Wage Rates

The wage rates for this classification will be as follows;

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

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

Merit Increases

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



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

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

March 31, 2011

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

RE: On Call Rotation – Local IT Support

Dear Mr. Anderson:

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

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

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

Sincerely,

Michael A. Ciccarella
Labor Relations Consultant
Duke Energy

For the Union:

James Anderson
President, UWWUA Local 600

4/5/11
Date

Mr. James Anderson
November 16, 2009
Page 2

Out of Town Work Assignments

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

Emergency Overtime Callouts

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

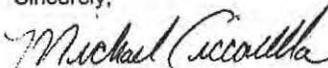
Employees are expected to respond to and work a reasonable number of emergency overtime assignments. Employees who are consistently unavailable for such assignments are subject to disciplinary action, up to and including discharge.

Progression

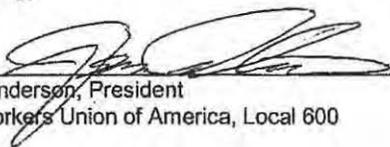
Employees will perform satisfactory will automatically promote from the Support Agent III classification to the Support Agent II classification once all qualifications are met. Employees on a disciplinary track or those that have been denied a merit increase will not be eligible to promote until they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

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

Sincerely,



Michael A. Ciccarella
Labor Relations Consultant
Duke Energy

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

Date: 12/7/09



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

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

January 16, 2012

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

RE: G.I.S. Job Progression

Dear Mr. Anderson:

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

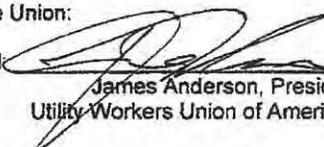
<i>Job Title</i>	<i>Wage Level</i>
GIS Team Lead	T8
GIS Technician I	T7
GIS Technician II	T5
GIS Apprentice	T4

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

Sincerely,

Michael A. Ciccarella
Labor Relations Consultant
Duke Energy

For the Union:

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

Date: 2/1/12



HISTORICAL SIDEBAR LETTERS 2011 – 2016 AGREEMENT

Between

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

and

The United Steelworkers, AFL-CIO-CLC

**Local Union 12049
&
Local Union 5541-06**

Appendix A

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

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

Appendix A

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

A-DOC #	CLAUSE	ISSUE	DATE
A-1	Article VIII, Section 8	Witness Pay for Criminal Cases	06/11/73
A-2	Misc.	Customer Service Route Bidding	06/11/73
A-4	Article VII, Section 1	Continuity of Work and Overtime	07/05/79
A-5	Article VIII, Section 13	One-time Use of Sick Pay for Chemical Addiction Rehab.	07/05/79
A-7	Article VIII, Section 17	Inclement Weather	07/05/79
A-8	Article VII, Section 1	Inspecting Mechanic Job Class – No Shift Rotation	05/17/82
A-9	Article VIII, Section 13	Employee Notification of Absence Expectations	05/24/85 (05/18/76)
A-10	Article XII, Section 1	No Holiday Pay Eligibility for Unavailability	05/24/85
A-11	Misc.	Meter Reads and Non-pay Work on Customer Premises	05/24/85
A-13	Article VIII, Section 5	Company Monitor Contractor Safety	05/23/91
A-14	Article VIII, Section 14(b)	Company May Replace Health Care Plans	05/23/91
A-15	Article IX, Section 1	Personal Attorneys During Grievances and Arbitrations	05/23/91
A-16	Article XII, Section 1	Double Time Rate and Consecutive Holidays	05/23/91
A-17	Article XIII, Section 1	Holiday Occurs During Scheduled Vacation Period	05/23/91
A-18	Article VII, Section 1(j)	Scheduling Make-up Overtime	05/23/91
A-19	Misc.	Non-Pay Disconnect Work Group	05/23/91
A-21	Article IX, Section 1	Timeliness of Grievance Procedure	05/13/94
A-22	Misc.	Family and Medical Leave Act	05/13/94
A-23	Misc.	Construction Assistants – Duties and Pay Rate	05/13/94 (05/23/91)
A-25	Misc.	Inspecting Mechanics To Not Cross Union Local Areas	05/13/94
A-27	Article VI, Section 3	Notification to the Union of Posted Job Openings	05/13/94
A-28	Article V, Section 1	Training Union on Job Evaluation Procedure	05/13/94
A-35	Misc.	Mechanic III Pay Rate and Work CG&E Wide	10/07/96
A-36	Article VIII, Section 5	Inspecting Mechanic Agreement - AMRP	06/03/2011 (10/07/96) (05/13/94) (05/23/91)
A-38	Misc.	Combination Workers (Service Delivery)	10/07/96
A-40	Article VIII, Section 23	Participative Management Team Guidelines	10/07/96 (05/13/94)
A-41	Article II, Section 1	Union Security – Company Neutrality	10/07/96
A-51	Article VI, Section 3(c)	Downbidding to Entry-Level Jobs	06/03/2011 (01/18/02) (10/07/96) (05/13/94)

A-DOC #	CLAUSE	ISSUE	DATE
			(05/23/91)
A-52	Article VII, Section 1	Work Hours	01/18/02 (10/07/96) (05/13/94)
A-54	Article VIII, Section 2	Voluntary Transfers Between Headquarters	01/18/02 (10/07/96) (05/13/94)
A-55	Misc.	Pay for Non-Industrial Medical Appointments	01/18/02 (10/07/96) (05/13/94)
A-57	Misc.	Paid Lunch Periods	01/18/02 (10/07/96) (05/24/85)
A-58	Misc.	Martin Luther King, Jr. Day	01/18/02 (10/07/96) (05/13/94)
A-60	Article VII, Section 1(m)	Call Out Pay	01/18/02
A-61	Article VI, Section 3(b)	Promotional Retraining	01/18/02 (10/07/96) (05/13/94)
A-62	Article V, Section 2	Supervisory Upgrades	08/1/07
A-63	Article VII, Section 1(j)	Overtime Guidelines – Field and Systems Operations, Contractor Construction, Corrosion, Gas production and the Measurement Center	06/03/2011 (6/14/07)
A-64	Article VII, Section 1(j)	Service Delivery Overtime Guidelines	06/15/07
A-65	Article VIII, Section 17	Inclement Weather – Service Delivery	08/01/07
A-66	Article VIII, Section 14(a)	Health Care Benefits	06/03/2011 (08/01/07)
A-67	Misc.	Union Employee Annual Incentive Program (UEIP)	06/03/2011 (08/01/07)
A-68	Misc.	\$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage	08/01/07
A-69	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs	08/01/07
A-70	Misc.	Sale of Assets	06/03/2011 (08/01/07)
A-71	Article VIII, Section 14(d)	Retirement Plan and HRA Conversion Agreement	08/01/07
A-71 Amendment	Article VIII, Section 14(d)	Post Retirement Healthcare	06/03/2011
A-72	Misc.	Discontinue Automatic Progression	08/01/07
A-73	Misc.	Benefit Claims Disputes	04/04/05
A-75	Misc.	Clothing Allowance	06/03/2011 (04/04/05)
A-76	Article VIII, Section 14(d)	Post Retirement Medical Benefits	06/03/2011 (04/04/05)
A-77	Misc.	Special Union Wide Lump Sum Opportunity	06/03/2011
A-78	Article VIII, Section 14(b)	Health Care Security	06/03/2011
A-79	Article VI, Section 3(c)	Disconnect Non-Pay Worker and Bidding and	06/03/2011

A-DOC #	CLAUSE	ISSUE	DATE
		Progression Rights Disconnect Non-pay, Succession and Special Meter Reads Agreement	05/14/03
A-80	Article VI, Section 3(c)	Gas Operations Promotional Sequences and New Position	06/03/2011
A-81	Article VII, Section 1(b)	Field Operations – Schedule Replacement Guidelines	06/03/2011
A-82	Article VIII, Section 2(f)	Home Site Reporting Guidelines	06/03/2011

Appendix A

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

A-DOC #	CLAUSE	ISSUE	DATE
A-41	Article II, Section 1	Union Security – Company Neutrality	10/07/96
A-28	Article V, Section 1	Training Union on Job Evaluation Procedure	05/13/94
A-62	Article V, Section 2	Supervisory Upgrades	08/01/07
A-27	Article VI, Section 3	Notification to the Union of Posted Job Openings	05/13/94
A-61	Article VI, Section 3(b)	Promotional Retraining	01/18/02 (10/07/96) (05/13/94)
A-79	Article VI, Section 3(c)	Disconnect Non-Pay Worker and Bidding and Progression Rights Disconnect Non-pay, Succession and Special Meter Reads Agreement	06/03/2011 05/14/03
A-80	Article VI, Section 3(c)	Gas Operations Promotional Sequences and New Position	06/03/2011
A-4	Article VII, Section 1	Continuity of Work and Overtime	07/05/79
A-8	Article VII, Section 1	Inspecting Mechanic Job Class – No Shift Rotation	05/17/82
A-52	Article VII, Section 1	Work Hours	01/18/02 (10/07/96) (05/13/94)
A-81	Article VII, Section 1(b)	Field Operations – Schedule Replacement Guidelines	06/03/2011
A-18	Article VII, Section 1(j)	Scheduling Make-up Overtime	05/23/91
A-63	Article VII, Section 1(j)	Overtime Guidelines – Construction Maintenance, Corrosion System Operations, Gas Production and Measurement Center	06/03/2011 (06/14/07)
A-64	Article VII, Section 1(j)	Service Delivery Overtime Guidelines	06/15/07
A-60	Article VII, Section 1(m)	Call Out Pay	01/18/02
A-54	Article VIII, Section 2	Voluntary Transfers Between Headquarters	01/18/02 (10/07/96) (05/13/94)
A-82	Article VIII, Section 2(f)	Home Site Reporting Guidelines	06/03/2011
A-13	Article VIII, Section 5	Company Monitor Contractor Safety	05/23/91
A-36	Article VIII, Section 5	Inspecting Mechanics	06/03/2011 (10/07/96) (05/13/94) (05/23/91)
A-1	Article VIII, Section 8	Witness Pay for Criminal Cases	06/11/73
A-5	Article VIII, Section 13	One-time Use of Sick Pay for Chemical Addiction Rehab.	07/05/79
A-9	Article VIII, Section 13	Employee Notification of Absence Expectations	05/24/85 (05/18/76)
A-66	Article VIII, Section	Health Care Benefits	06/03/2011

A-DOC #	CLAUSE	ISSUE	DATE
	14(a)		(08/01/07)
A-14	Article VIII, Section 14(b)	Company May Replace Health Care Plans	05/23/91
A-78	Article VIII, Section 14(b)	Health Care Security	06/03/2011
A-71	Article VIII, Section 14(d)	Retirement Plan and HRA Conversion Agreement	08/01/07
A-71 Amendment	Article VIII, Section 14(d)	Post Retirement Healthcare	06/03/2011
A-76	Article VIII, Section 14(d)	Post-Retirement Medical Benefits	06/03/2011 (04/04/05)
A-68	Article VIII, Section 15	\$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage	08/01/07
A-7	Article VIII, Section 17	Inclement Weather	07/05/79
A-65	Article VIII, Section 17	Inclement Weather – Service Delivery	08/01/07
A-40	Article VIII, Section 23	Participative Management Team Guidelines	10/07/96 (05/13/94)
A-15	Article IX, Section 1	Personal Attorneys During Grievances and Arbitrations	05/23/91
A-21	Article IX, Section 1	Timeliness of Grievance Procedure	05/13/94
A-10	Article XII, Section 1	No Holiday Pay Eligibility for Unavailability	05/24/85
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A-11	Misc.	Meter Reads and Non-pay Work on Customer Premises	05/24/85
A-19	Misc.	Non-Pay Disconnect Work Group	05/23/91
A-22	Misc.	Family and Medical Leave Act	05/13/94
A-23	Misc.	Construction Assistants – Duties and Pay Rate	05/13/94 (05/23/91)
A-25	Misc.	Inspecting Mechanics To Not Cross Union Local Areas	05/13/94
A-35	Misc.	Mechanic III Pay Rate and Work CG&E Wide	10/07/96
A-38	Misc.	Combination Workers (Service Delivery)	10/07/96
A-51	Misc.	Downbidding to Entry-Level Jobs	06/03/2011 (01/18/02) (10/07/96) (05/13/94) (05/23/91)
A-55	Misc.	Pay for Non-Industrial Medical Appointments	01/18/02 (10/07/96) (05/13/94)
A-57	Misc.	Paid Lunch Periods	01/18/02 (10/07/96) (05/24/85)
A-58	Misc.	Martin Luther King, Jr. Day	01/18/02 (10/07/96) (05/13/94)

A-DOC #	CLAUSE	ISSUE	DATE
A-67	Misc.	Union Employee Annual Incentive Program (UEIP)	06/03/2011 (08/01/07)
A-69	Misc.	Sabbatical Vacation Bank and Vacation Credit Programs	08/01/07
A-70	Misc.	Sale of Assets	06/03/2011 (08/01/07)
A-72	Misc.	Discontinue Automatic Progression	08/01/07
A-73	Misc.	Benefit Claims Disputes	04/04/05
A-75	Misc.	Clothing Allowance	06/03/2011 (04/04/05)
A-77	Misc.	Special Union Wide Lump Sum Opportunity	06/03/2011

June 11, 1973

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

Dear Mr. Billingsley:

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

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

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

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

Very truly yours,

Arthur R. Ehrnschwander

A-1

June 11, 1973

Mr. William F. Billingsley
Representative
United Steelworkers of America
1333 Vine Street, Room 311
Cincinnati, Ohio 45220

Dear Mr. Billingsley:

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

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

Very truly yours,

Arthur R. Ehrnswender

cc: T. Mounts
W. Egelston

THE CINCINNATI GAS & ELECTRIC COMPANY



CINCINNATI, OHIO 45201

ARTHUR R. EHRSCHWENDER
VICE PRESIDENT
ADMINISTRATIVE SERVICES

July 5, 1979

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

Dear Mr. Spurlock:

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

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

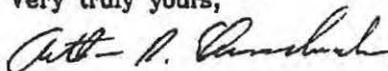
In making overtime assignments, all employees must understand the Company's needs. However, personal commitments of the employees involved also warrant serious consideration. Supervisors should attempt to avoid overtime assignments to individuals who have made previous personal commitments if others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

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

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

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

Very truly yours,



Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER
VICE PRESIDENT
ADMINISTRATIVE SERVICES

July 5, 1979

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

Dear Mr. Spurlock:

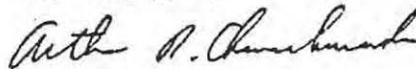
During the 1979 negotiations, representatives of the Company and the Union discussed the compensation policy for employees who undertake treatment for alcoholism.

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

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

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

Very truly yours,



Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER
VICE PRESIDENT
ADMINISTRATIVE SERVICES

July 5, 1979

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

Dear Mr. Spurlock:

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

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

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

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

Very truly yours,

Arthur R. Ehrnschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ARTHUR R. EHRSCHWENDER
SENIOR VICE PRESIDENT

May 17, 1982

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

Dear Mr. Spurlock:

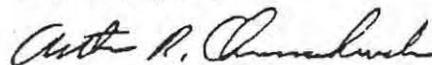
During the 1982 negotiations, the committees for the Company and the Union discussed the possibility of implementing a new bargaining unit job classification. As a result of these discussions, the Company will agree to write a job description for a new job classification of Inspecting Mechanic during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

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

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

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

Very truly yours,



Arthur R. Ehrschwender

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES
VICE PRESIDENT
ADMINISTRATIVE SERVICES

May 24, 1985

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

Dear Mr. Spurlock:

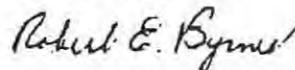
During the 1985 negotiation meetings between the Company and Local Unions 12049 and 14214 the committees discussed Article VIII, Section 13(g) of the Contract concerning the requirement that employees' notify the Company that they will be tardy or absent from work.

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

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

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

Very truly yours,



Robert E. Byrnes

cc: C. Goyette
L. Byrd, Jr.

A-9

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES
VICE PRESIDENT
ADMINISTRATIVE SERVICES

May 24, 1985

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

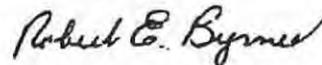
Dear Mr. Spurlock:

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

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

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

Very truly yours,



Robert E. Byrnes

cc: C. Goyette
L. Byrd, Jr.

THE CINCINNATI GAS & ELECTRIC COMPANY



ROBERT E. BYRNES
VICE PRESIDENT
ADMINISTRATIVE SERVICES

May 24, 1985

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

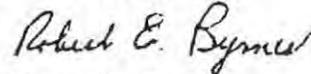
Dear Mr. Spurlock:

During the 1985 negotiation meetings, representatives of the Company and the Union discussed the premise work performed by personnel in the Customer Service Division.

As a result of the discussions concerning this matter, it was agreed that personnel in the Gas Operating Department's Customer Service Division will be assigned to obtain meter readings on "electric only" accounts during those periods when Electric Meter personnel are unable to obtain such reads because of other work requirements. In addition to the work they normally perform on "electric only" accounts, Electric Meter personnel will also be assigned to obtain meter readings from combination gas and electric accounts when Customer Service Division personnel are unable to obtain such reads because of other work requirements. Furthermore, it was agreed that personnel in the Credit & Collection Division of the Customer Billing and Collection Department will be permitted to disconnect the services of customers for non-payment of their utility bill without the presence of employees of the Customer Service Division after two field calls have been made by Customer Service Division personnel.

By proceeding in this manner it is thought that the Company will be able to satisfy the voluminous customer requests for verified meter readings.

Very truly yours,



Robert E. Byrnes

cc: C. Goyette
L. Byrd, Jr.

A-11

CG&E The Energy Service Company

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

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

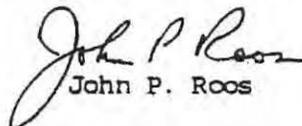
During the 1991 negotiation meetings, the committees of the Company and the Union discussed the work practices of contractors and employees.

The Union voiced a concern that contractors are not in compliance with the safety standards applied to employees, especially while working side by side on the same job. The Company has a continuing concern for the safety and well being of its employees and is constantly monitoring work areas, conditions and procedures. During these negotiation meetings, the Company assured the Union that its supervision will strictly monitor the construction practices of contractors in order to assure compliance with the appropriate safety rules and work habits.

Safety on the job must be a continuous activity, not only for supervision of the Company but for every employee. It is only through cooperation of our employees that we are able to maintain our outstanding safety record. The Company will continue to strive to conduct its operations in a safe and efficient manner.

These assurances by the Company should alleviate the concerns of the Union in this matter.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

CG&E The Energy Service Company

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

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

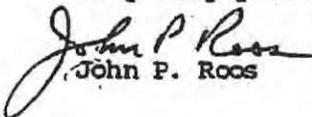
Dear Mr. Spurlock:

During the 1991 negotiation meetings, representatives of the Company and the Union discussed eliminating the need for management to confer with the Union in the event that a health care provider is replaced by other medical coverage.

During these discussions, the Company and the Union shared concern over the astronomical increase in medical costs that occurred in the past three years. As a result of these discussions concerning the elimination of Article VIII, Section 14 (b) of the Contract, the Union assured the Company that it would cooperate and objectively evaluate any health care carriers that the Company suggested as a substitute for existing health care providers.

It is thought that this accord will be mutually beneficial to both parties.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

CG&E The Energy Service Company

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

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

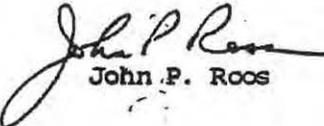
Dear Mr. Spurlock:

During the 1991 negotiation meetings the committees of the Company and the Union discussed the representation of employees by personal attorneys or outside agencies during the grievance and arbitration procedures.

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

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

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

CG&E The Energy Service Company

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

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

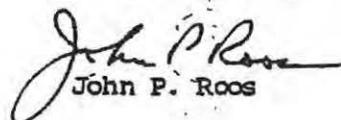
Dear Mr. Spurlock:

During the 1991 negotiation meetings, representatives of the Company and the Union discussed holiday pay for employees who are required to work on both of two consecutive holidays.

As a result of these discussions, the parties agreed that when employees work consecutive hours contiguous with the hours worked on the previous day holiday, all hours over eight (8) will be paid at the double time rates. This would only apply for hours worked on the day after Thanksgiving and the Company recognized holiday of Christmas Day.

It is thought that this correspondence adequately describes the accord reached by the parties concerning this subject.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

CG&E The Energy Service Company

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

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

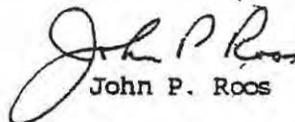
Dear Mr. Spurlock:

During the 1991 negotiations, the committees of the Company and the Union discussed employees taking vacations which include a Company recognized holiday.

In order for the Company to effectively and efficiently direct the work force, it must maintain its right to make the determination as to whether an employee will receive either eight hours additional pay or one additional vacation day when an employee schedules a vacation which includes a holiday. However, during these meetings the Company agreed that employees can make their preference known to supervision as to whether they want to receive either eight hours additional pay or an additional vacation day. The supervisor will give consideration to the employee's request.

By proceeding in this manner it is thought that the Union's concern in this matter will be alleviated.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

A-17

CG&E The Energy Service Company

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

John P. Roos
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

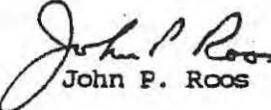
During the 1991 negotiation meetings, representatives of the Company and the Union discussed the scheduling of make-up overtime assignments.

During these meetings, the Union voiced a concern regarding the delayed granting of make-up overtime assignments as a result of heavy periods of regular overtime assignments.

The Company must be the sole judge as to the necessity for overtime work. However, the Company assured the Union that it would make every attempt to schedule make-up overtime assignments which are determined by supervision to be appropriate at the earliest practicable time. Additionally, the Company agreed that employees will be scheduled for make-up overtime assignments within six (6) months from the date granted by supervision.

This commitment by the Company should address the concerns expressed by the Union during these negotiations about make-up overtime.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

A-18

CG&E : The Energy Service Company

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

John P. Rees
Manager, Personnel Relations

May 23, 1991

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1991 negotiations, the committees for the Company and the Union discussed the possibility of implementing a workforce in another department that would be dedicated to disconnect non-pay work.

As discussed, the Company's goal is to operate in the most efficient and cost effective way possible. In addition, the Company must provide the best and most expeditious service to our customers as possible.

If the disconnect non-pay work group is implemented, the parties agreed that when a gas service person has a disconnect non-pay order in the vehicle on a combination account where the electric meter has already been disconnected, and a reconnect order is issued to the field on that account, the gas service person will complete the reconnect on the electric meter. Previously, such orders were not worked by the Gas Operating Department but were returned to the Credit Division of Customer Billing and Collection Department for routing elsewhere.

Currently, Customer Service Division personnel must attempt to disconnect the gas service at a premise twice before referring the disconnect non-pay order to the Credit Division of the Customer Billing and Collection Department as a lock out. Once this disconnect non-pay work group is implemented, Gas Operating Department personnel will be able to refer obvious lock outs to the Credit Division without having to make a second call before referral. Additionally, it was agreed that during such lock outs the Credit Division personnel disconnecting the gas, after proper training by the Gas Operating Department, will attempt to also turn off all gas appliances at the premises. Such work will only be accomplished on the above referenced lock out situations.

A-19

By proceeding in this manner, the effectiveness and the expediency of service to our customers will be enhanced.

Very truly yours,


John P. Roos

cc: J. Dearth
R. Zimmer

CG&E ■ The Energy Service Company

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

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees for the Company and the Union discussed the implementation of time limits within the various steps of the grievance procedure.

The Company believes that the objective of the grievance procedure, to mutually and equitably resolve differences that may arise in the administration and interpretation of the Agreement, can be most favorably fulfilled without the imposition of mandatory time limits.

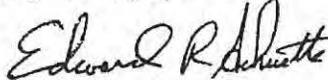
However, as a result of these discussions, the Company did give its assurance that it will strive to respond to all grievances as expeditiously as possible.

It is understood that unavoidable delays by both parties may occur for various legitimate reasons. Any such circumstances must necessarily be accommodated without prejudice to the position of any party to the grievance.

It was also agreed that if, in the future, the Union believes that grievances are not being resolved in a timely manner, the Company would be willing to meet with the Union in order to resolve this issue.

It is anticipated that, with this accord, the interval in processing grievances will be reduced.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk
R. Zimmer

CG&E ■ The Energy Service Company

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

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
27162 Reading Road
Suite 610
Cincinnati, OH 45237

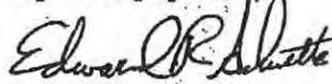
Dear Mr. Spurlock:

During the 1994 negotiation meetings, the parties discussed the administration of the Family Medical Leave Act (FMLA).

During the discussions, the Company assured the Union that its administration of the FMLA does not reduce the employee benefits provided for by the Contract. Furthermore, the Company assured the Union of its continued commitment to considering the particular circumstances involved with individual employees, who may be experiencing hardship and whose circumstances may warrant leave in addition to the FMLA annual allotment.

It is believed that the above commitment by the Company alleviates the Union's concerns in this matter.

Very truly yours,


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

CG&E ■ The Energy Service Company

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

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees for the Company and the Union discussed the revision of the Construction Assistant job description.

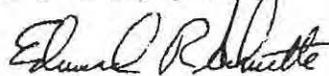
As discussed, the job description of the Construction Assistant will be revised so that employees, who are assigned to that job classification, may also be trained to perform other duties commensurate with their skills and abilities, within their medical limitations. However, employees in the Construction Assistant job classifications will not perform work of job classifications at higher wage levels than their previous job.

As stated during these negotiations, at some point in time, as determined by the Company, the number of Construction Assistants may reach a saturation point. As discussed, we are rapidly approaching that saturation point. If such a saturation point is reached, the Company will discontinue placing people in that job classification.

In addition, the Company assured the Union that if problems are detected as a result of the administration of the Construction Assistant job duties, the Company would be willing to meet with the Union to discuss this issue at that time. Furthermore, as stated during these negotiations, and in accordance with the original intent of the parties when the Construction Assistant job classification was established, only employees with 15 or more years of service will be red-circled when demoted to the Construction Assistant job classification. Employees with less than 15 years of service, when demoted to the Construction Assistant job classification, will be placed at the maximum wage rate of that job.

It is believed that this correspondence should alleviate the concerns of the Union in this matter.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-23

CG&E ■ The Energy Service Company

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

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road, Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

As discussed during the 1994 negotiation meetings, there are presently 15 Inspecting Mechanics in Gas Operations. These employees are performing the following functions: locating facilities, preparing permit drawings, inspecting exposed pipelines on bridges, inspecting pipelines and locating and plotting gas facilities as a result of Ohio House Bill 538. These Inspecting Mechanics are located throughout our system, but primarily at Monfort Heights, Dana Avenue and Todhunter Road.

As discussed, during the term of the 1994-1997 Contract, Inspecting Mechanics will be paid fifty-five cents (.55¢) above the maximum wage rate of their job classification.

Inspecting Mechanics will also protect facilities by their presence and direction of contractors working around gas facilities. This Inspecting Mechanic job will not be submitted for re-evaluation since the job description adequately defines the duties required in performing House Bill and system protection work. There will be two (2) Inspecting Mechanics performing House Bill work. They are John Fagaly located at Fairfield and Mose Barrett located at Dana. These two individuals will continue performing this work. Mr. Fagaly will perform work only in the Northern local and Mr. Barrett will perform work anywhere in Local 12049's service territory. At this time we do not anticipate a change of headquarters. The Company will train the remaining Inspecting Mechanics to perform House Bill work. The number of Inspecting Mechanics performing House Bill work may increase or decrease at any time due to work needs. The remaining incumbent Inspecting Mechanics will be assigned to specific geographic areas and duties for the purposes of work assignment. If the House Bill work load decreases, the Inspecting Mechanics performing that work will be assigned to perform any activity within their job description.

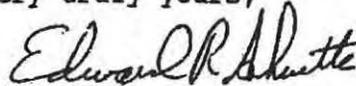
The Inspecting Mechanic will locate underground facilities for contractors performing work for the Company. This includes marking gas facilities for contractors installing and replacing gas mains and services.

Inspecting Mechanics will be required to work in any geographical area assigned, i.e., Kentucky, Indiana, Ohio, except across Union Locals. Back-up Inspecting Mechanics will only be used as determined by business needs.

Future openings or replacements in the Inspecting Mechanics job classification when deemed necessary by the Company, will be filled by qualified employees from the Mechanic Operator I job classification, in accordance with the contractual posting procedure, within Local 12049 or within Local 14214. Also, the Company reserves the right to determine the headquarters as to where the replacements or openings will be filled, in Local 12049 or in Local 14214.

It is believed that this correspondence addresses our discussion at the negotiations.

Very truly yours,



Edward R. Schuette

cc: S. Newkirk
R. Zimmer

CG&E ■ The Energy Service Company

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

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

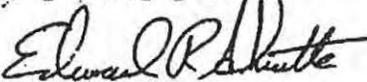
Dear Mr. Spurlock:

During the 1994 negotiation meetings, the committees of the Company and Local Unions 12049 and 14214 discussed notification to the bargaining unit of posted job openings, transfers and reassignments.

As was agreed, during the term of the 1994-1997 Contract, the results of posted job openings, transfers and reassignments will be forwarded to the Presidents of the Local Unions as soon as practicable.

By proceeding in this manner it is thought that the Union's concern in this matter will be alleviated.

Very truly yours


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-27

CG&E ■ The Energy Service Company

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

May 13, 1994

Mr. Thomas Spurlock
Staff Representative
United Steelworkers of America
7162 Reading Road
Suite 610
Cincinnati, Ohio 45237

Dear Mr. Spurlock:

During the 1994 negotiations, representatives of the Company and the Union discussed the possibilities of a training program for the members of the Union job evaluation committee.

The procedures for establishing, revising, and evaluating job classifications is clearly set forth in Article V, Section 1 of the current Contract. As indicated, the Union may submit written comments regarding the duties of a revised job description to the Company's evaluation committee and may review the evaluation and wage rate of any new or revised classification considered by the Company's committee.

At the negotiation meetings, the Union expressed concern about its understanding of the job evaluation process. To understand the procedures, the Company will agree to provide a training program for members of the Union committee who may be unfamiliar with how the job evaluation system works. In addition, if the chairman of the Union's classification committee periodically requests information concerning which factor points were changed when its committee is scheduled to meet with the Company's committee to review the evaluation of a job, the Company official responsible for the administration of the wage and salary program will provide the designated Union representative with such information.

It is thought that proceeding as outlined in this letter will satisfy the Union's request about training in the job evaluation procedure during the term of the 1994-1997 Contract.

Very truly yours,


Edward R. Schuette

cc: S. Newkirk
R. Zimmer

A-28

October 7, 1996

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

Mr. Don Turner
Mr. James Newport
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.

Dear Gentlemen:

During the 1996 discussions concerning work flexibility and employment security, representatives of the Company and the Union discussed the need to more efficiently accomplish the less skilled manual tasks in field operations across the Company.

As discussed, upon ratification of the 1996 - 2002 Contract, a specially negotiated wage progression will be implemented for the Mechanic III job classification. Thereafter, any employees moving into that job classification will be paid at the entry rate of \$9.13 per hour. Upon successful completion of the first six months in that job classification, such employees will receive an increase to the rate of \$13.02 per hour. After that point, employees may qualify for regular merit increases during each succeeding six month period until the maximum wage of \$13.50 per hour is reached. It is intended that the minimum amount of time an employee will be in the Mechanic III job classification prior to reaching the maximum wage is three years.

It was further discussed that employees in the Mechanic III job classification will be used to perform lesser skilled manual labor on an as-needed basis throughout the CG&E service territory and, possibly, to assist on projects associated with the electric side of the business for which they qualify.

As further agreed, however, any employees in the Mechanic III job classification prior to ratification of the 1996 - 2002 Contract will be grandfathered under the wage progression in effect at that time.

It is believed that the above accord will serve to meet the needs of both the Union and the Company.

Very truly yours,



Kenneth E. Williams
Manager
Employee Relations

cc: R. Zimmer
S. Newkirk

A-35



June 3, 2011

LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Inspecting Mechanic Agreement - AMRP

Dear Gentlemen:

This letter documents our discussions and agreements related to employees in the Inspecting Mechanic classification and the impacts on work and this job that are expected to occur towards the end of and after the Accelerated Main Replacement Program (AMRP).

In the fall of 2000, the Company met with the leadership of each of the Duke affiliated local unions to discuss the need to significantly increase the number of Inspecting Mechanics to enhance the inspection program for an Accelerated Main Replacement Program. During those discussions, several items were agreed upon to successfully implement and complete the Program. All items to date have been successfully implemented by both parties. This document is to memorialize those items necessary to wind down the Program and implement post AMRP activities.

If it is necessary to "Roll Back" any Inspecting Mechanics, that person will return to a Mechanic Operator I (MOI) position at the district from which they were promoted. Roll Backs will occur by low classified Inspecting Mechanic seniority. If the district headquarters is no longer maintained, the person will be assigned to the district that absorbed the territory of the discontinued district. They are listed as follows:

Little Miami absorbed by Eastworks
Glendale absorbed by Monfort
Dana absorbed by Eastworks
19th Street absorbed by Erlanger
Florence absorbed by Erlanger

As discussed in 2000, during presentations and during discussions with the successful candidates, Inspecting Mechanics will maintain their current accrued seniority if a roll back to the MOI position is necessary. In addition, Inspecting Mechanics would have their pay redlined until the MOI wage rate increased to the point of surpassing the Inspecting Mechanic pay. At that time, the person would receive a wage increase up to the max rate of pay for a MOI.

As part of the original agreements, Inspecting Mechanics were to maintain their CDL license. A valid medical card is required to perform the MOI duties. Employees rolling back under this

A-36

Letter will be given 6 months to obtain their medical card. If employees cannot obtain their medical cards in six months, the Company's Job Adjustment and Workplace Modification Program (JAWM) will be triggered. The JAWM Program is a two-tiered program for the Company to engage in an interactive dialogue with employees who may require job adjustments or workplace modifications due to a physical or mental health issue that impacts an employee's work.

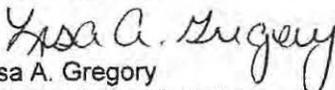
Management will make every effort to project the resource needs for the following year and avoid roll backs in the middle of the year. This will allow a smooth transition for the employee to be placed on the shift schedule. However, there may be those occasions when a roll back may occur in the middle of the year. When this occurs, management will not rework the schedule for the current year. Management will fill a vacancy in the shift schedule with the rolled back employee up to two times in that calendar year but, not two consecutive times. All other vacancies will be filled using the established Schedule Replacement Guidelines. If there is more than one rolled back employee in a district, they will alternate shift coverage until they have exhausted their obligation to work two scheduled vacancies for that calendar year. For rolled back employees who scheduled their vacation in advance, the Company will follow existing guidelines for filling shift vacancies. After the Company schedules a rolled back employee for a shift vacancy, the Company will not grant vacation for the employee's shift during the vacancy the employee is scheduled to work.

If a temporary Inspecting Mechanic is needed in the future, trained and qualified Mechanic Operator I's will be upgraded based on classified Mechanic Operator I seniority. The Company will pay temporarily upgraded "rolled back inspectors" at the top of the Inspecting Mechanic pay grade until the assignment is complete. After the temporary upgrade is over, the employee will return to their pay rate prior to being upgraded. The employee also will be provided with any promotional opportunities they would have received in the MOI position. If a Mechanic Operator I is upgraded and he/she did not previously hold the classification of Inspecting Mechanic, normal temporary upgrade guidelines will apply (Article V, Section 2).

Employees who are scheduled for shift work during a temporary upgrade assignment lasting 30-days or less will not be eligible for the upgrade and the next senior, qualified person will be selected. If the temporary upgrade assignment will last 31-days or more, upon completion of the scheduled shift, the most senior person will replace the more junior person on the upgrade assignment. Employees must pass an inspecting test to be temporarily upgraded to an Inspecting Mechanic role.

It is believed that the procedures outlined in this letter properly describe the agreement reached between the parties concerning this issue.

Very truly yours,


Lisa A. Gregory
Director, Labor Relations

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

October 7, 1996

Mr. Don Turner
Mr. James Newport
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.

Dear Gentlemen:

Reference is made to our 1996 discussions concerning employment security and work flexibility. Representatives of the Company and the Union discussed the need to improve the efficiency with which customer service concerns are addressed at the premises.

As was discussed, the current work force that performs those duties on customer premises is contained in two separate work areas of the Company. Those areas include a work force of employees represented by the United Steelworkers of America (USWA), who primarily perform premise duties related to gas services. The other work group is made up of employees represented by the International Brotherhood of Electrical Workers Union (IBEW) in the Electric Meter area, who primarily perform electrical customer premise work.

Although, previously negotiated agreements have provided that employees from those areas can perform certain limited premise work outside of their primary emphasis (gas/electric), it is intended that in the future employees in the above groups will be merged into one work group and will perform various additional duties in either capacity to maximize the Company's ability to meet customer needs with one visit to the premises.

Employees on the gas side of the business, in addition to their current duties, will receive training to safely perform other lower level electrical work at customer premises including work on "electric only" orders. The Company will also provide adequate training to employees in the appropriate job classifications in the Electric Meter area to enable them to safely perform additional lower level gas work at customer premises.

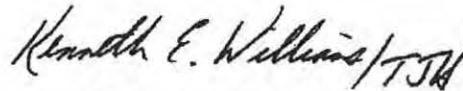
Due to the discussions held pertaining to this subject, it was agreed that the current approximate ratio between employees represented by the USWA versus the IBEW within this new group, two gas employees to one electric employee, will be maintained for determining union affiliation for any additional employees who may join that work group to perform such premise work in the future.

A-38

As further discussed, the implementation of the shared duties among this group will not occur until the appropriate agreement is attained with the other bargaining unit involved.

It is believed that by proceeding in this manner, the Union's concerns on this subject have been addressed and the Company's ability to succeed in a competitive environment will be enhanced to the benefit of all stakeholders.

Very truly yours,

Handwritten signature of Kenneth E. Williams, with the initials TJK written at the end of the signature.

Kenneth E. Williams
Manager
Employee Relations

cc: R. Zimmer
S. Newkirk

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

October 7, 1996

Mr. Don Turner
Mr. James Newport
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.

Dear Gentlemen:

During the 1996 discussions concerning work flexibility and employment security, the Company and the Union discussed the continuation of participative management teams.

During these discussions, the parties agreed that together we face a changing regulatory environment, aggressive competitive forces and rising customer expectations.

To meet these challenges and to ensure both the Company and the Union's continued mutual success and security, the parties commit to achieving maximum customer, employee and shareholder productivity and quality of our work and its environment.

In making this commitment, the parties recognize a need for the Company, the Union and all employees to support and strive for a more cooperative atmosphere of increasing openness, trust and mutual respect, where all employees can fully utilize their creativity, talents and initiative in a safe and fulfilling work environment.

The parties agreed during these negotiations to continue the use of the participative team process to further these goals. It is also agreed that the following jointly developed guidelines will continue to be used for the participative team process:

When any team is formed to address an issue, individuals should be told that membership on the team is voluntary. Persons selected should be respected by their co-workers. Before the team begins its work, members must be informed that it is their responsibility to honor the collective bargaining agreements.

A-40

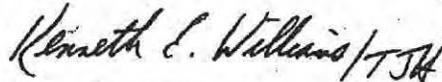
When forming a team to address non-contractual issues, team members should be selected objectively based on the issues and subjects to be addressed by the group.

When contractual issues arise after the start of the process, bargaining unit leaders and the Employee Relations and Safety Department must be notified as soon as it is apparent that a contractual issue is involved. Team membership should be reviewed to see if changes need to be made because of the new contractual issue.

The Company and the Union officers will select team members from their respective units to develop recommendations concerning contractual issues. The Employee Relations and Safety Department will be notified when a team is being formed in order to determine its level of involvement. Any recommendations made by the teams that would change or modify the collective bargaining contract will be subject to negotiations between the parties.

These commitments made by both the Company and the Union will enable both parties to be successful in our endeavor to reach our goals in serving our customers, employees and shareholders.

Very truly yours,



Kenneth E. Williams
Manager
Employee Relations

cc: R. Zimmer
S. Newkirk

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

October 7, 1996

Mr. Don Turner
Mr. James Newport
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

CINERGY.

Dear Gentlemen:

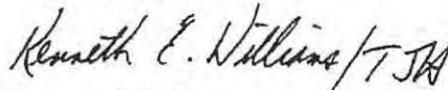
Reference is made to our 1996 discussions concerning employment security and work flexibility. During these discussions the parties discussed the issue of Union Recognition in a changing business environment to meet future competitiveness in our industry.

During the discussions, the Company confirmed its commitment to recognize the Union as the sole and exclusive collective bargaining agent for those employees who are employed in jobs currently under its jurisdiction. The Company also assured the Union of its ongoing commitment to honor any agreements it may enter into with the Union. The parties also discussed the need for new and innovative ways to meet future business needs in order to remain viable within a competitive environment. These new ways of conducting business may not only require significant changes within the current organization, but may also result in the Company's expansion into other business ventures.

During the discussions, the Company gave assurance to the Union that in the event of such future expansions of our business, should the Union attempt to represent or organize employees outside of its current jurisdiction, the Company will not interfere with such legitimate activity and will encourage a policy of neutrality among its supervisory/managerial workforce. However, the Company must maintain its right to respond to employee inquires in an honest and open manner.

Hopefully, as a result of the discussion on this subject, the Union's concerns in this area have been resolved.

Very truly yours,



Kenneth E. Williams
Manager
Employee Relations

cc: R. Zimmer
S. Newkirk

A-41



June 3, 2011

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

Re: Downbidding to Entry-Level Jobs

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the "Union") discussed the downbidding process and the desire to make starting level job opportunities available in the various divisions of the Gas Operations and Service Delivery areas to qualified employees who desire to change their type of work. This letter replaces the previous letter of agreement titled "Downbidding to Entry-Level Jobs" which was last revised January 18, 2002 and all earlier versions as well as the downbidding process described in the "Disconnect Non-pay, Succession and Special Meter Reads Agreement" letter dated May 14, 2003.

For the duration of the 2011 - 2016 Contract, the Company will permit any employee with eight (8) or more years of service and classified as a Meter Specialist II, Mechanic Operator II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Welder II or any higher job classification in these sequences, to submit their name for consideration through the established bidding procedure when job openings occur within the established rotation sequence in the Service Mechanic "B" or Gas Systems Operations Mechanic III job classifications.

The Company will consider employee requests for a posted opening in the established rotation sequence, on the basis of the system service within the seniority district. These employees will be required to successfully complete the departmental training program, and all required tests, before they are re-classified as a Service Mechanic "B" or Gas Systems Operation Mechanic III. Following the date of this Letter, the Company will fill the first posted eligible job from qualified downbid applicants before considering applicants seeking to promote under the existing promotional sequence within the seniority district. After that first posted job, the Company will alternate between the downbid process and the promotional sequence process to fill Service Mechanic "B" or "Gas Systems Operations Mechanic III" postings.

In addition, the Company agreed to allow employees in Local 12049 with eight (8) or more years of service and classified as a Mechanic Operator II, Gas Systems Operations Mechanic II, Gas Plant Operator II, Welder II or any higher job classification in these sequences to downbid to the Meter Specialist III job classification through the downbidding procedure as described in this letter. When eligible employees submit such downbids to the Meter Specialist III classification, the Company will fill the position based on system service seniority within the seniority district.

A-51

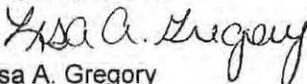
In all situations described in this letter, the following applies:

1. Employees who are accepted for the vacant position shall retain their present salary until they successfully pass the test for the new position. At that time, they will be demoted to the maximum wage rate of the job for which they have been accepted. However, employees who demote in accordance with this agreement with 15 or more years of service will have their wage rates red-circled.
2. If the acceptable candidates fail to qualify for the position, they will return to their original headquarters without loss of seniority.
3. While in training, the employees will retain the salary and job title of their current position.
4. The Company will post opportunities for the Service Mechanic B, Tool Repair Specialist, Meter Specialist III or Gas Systems Operations Mechanic III, and will fill the first posting following the date of this Letter with any downbids as described above. For the second posting following the date of this Letter, the Company will use the promotional sequence within each classification, and will alternate between the downbid process and the promotional sequence for future postings. If a posting is not filled by the designated sequence and/or there are no downbids, the turn will be forfeited. This will be tracked by each job classification and each local.
5. Prior to the first downbid opportunity as described above, management will post a one-time opportunity for existing Premise Mechanics to promote to Service Mechanic B. If eligible employees choose not to pursue this promotional opportunity, the one time opportunity will be forfeited. The Company reserves the right to cancel any postings not filled under this Paragraph.

It is acknowledged that the Company must maintain the right to limit the number of such individuals in any job at any one time, in order to make certain that the promotional sequence does not become blocked in any way.

It is anticipated that the procedures outlined in this letter properly describe the accord reached between the parties concerning this issue, for the term of this Contract.

Very truly yours,


Lisa A. Gregory
Director, Labor Relations

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

January 18, 2002

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Work Hours

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed work hours of bargaining unit employees in both local unions. This correspondence cancels and supersedes correspondence from Messrs. Morgan and Randolph of June 4, 2001 to Messrs. McAlpin and Helsing and the letter of October 7, 1996 from K. Williams to D. Turner on this subject.

Based on discussions for the 2002 – 2007 labor agreement, work schedules will be implemented as follows.

Construction & Maintenance

Accept as specified below, the Construction & Maintenance Group will use both the 4-day 10-hour schedule and the 5-day 8-hour schedule. On or about May 1 of each year, that work group will commence a 4-day 10-hour schedule. It is believed that working the 4-10's during the prime construction season allows for the most efficient means to carryout that type of work. The shorter workweek and fewer trips to/from jobs will lessen the environmental impact from driving during summer months when environmental issues are at a peak. It will also save on fuel costs during the summer season when the cost for fuel is at a maximum. Additionally, the fact that school will be out will lessen disruptions to setting up job sites prior to 8:00 a.m. Employees, who value the third off day each week, will continue to be able to benefit from that schedule during the summer time season. The 4-10 work hours will remain from 7:00 a.m. until 5:00 p.m. at this time.

On or about November 1 of each year, the Construction & Maintenance Group will be scheduled to work the 5-day 8-hour schedule, with work hours of 7:00 a.m. to 3:00 p.m. For the reduced amount of construction projects during the winter months, the 5-day 8-hour work schedule is more conducive for achieving the maintenance type work that tends to be done during the colder months season. Additionally, the shorter work day during the winter months will allow for employees to arrive at home at an earlier time each day to tend to personal business. Management will continuously monitor and evaluate the effectiveness of the 8-hour schedules

including the start time for work hours and maintains the right to adjust the work hours as deemed necessary to meet business needs.

For business needs, the new gas service inspecting group (spotters) will be an exception to the seasonal schedule. Visual inspecting work must be accomplished on a 5-day 8-hour work schedule in order to meet the daily demands for those jobs, which have to be carried out within two days of a request. The four-day workweek has caused the need to take employees from Construction & Maintenance to assist in performing visual inspecting work on a regular basis, thus impacting the number of employees dedicated to construction and maintenance work on any one day.

Gas Production, Systems Operations and Corrosion Control

For the same reasons discussed above, and for the need to provide support for the construction & maintenance crews, Gas Systems Operations employees' work schedules will be the same as listed for Construction & Maintenance above and will also change on the referenced seasonal basis. The 5-8's schedule during the winter months allows for better coverage for cold weather related system adjustments and the need to implement the rotating shift during the winter season.

Contractor Construction Management

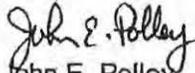
The Inspecting Mechanics will remain assigned to a 5-day 8-hour schedule year round. That work schedule maximizes our ability to provide inspecting services to the contractor work force. The 5-8's will enhance the availability of the inspecting work force at reduced overtime costs and at a minimum disruption to the Construction & Maintenance Group.

Service Delivery, Meter Operations, Gas Measurement Center

Employees in these work groups will continue to work their current work schedules at this time, as long as business needs are being accomplished.

It is believed that the work schedules as outlined above are a reflection of the consideration given to the Unions' input and employee comments while implementing work schedules that will help improve the organization's overall effectiveness. It must be noted, however, that the Company must maintain its right to make other work schedule adjustments in the future to meet business needs.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

January 18, 2002

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

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Voluntary Transfers Between Headquarters

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the possibility of employees in the same job classification being permitted to voluntarily transfer between headquarters.

As was agreed, during the term of the 2002 – 2007 Contract, employees will be permitted to submit transfer requests to be assigned to another headquarters. On an annual basis, during the first week of October a notice will be posted advising those employees who wish to change headquarters to submit a transfer request, in writing, to the Employee Services area of the Regulated Business Unit. All such requests must be submitted on or before October 31 of each year. These requests for transfer will be evaluated in the same manner as cross bids for posted job openings. Reassignments between headquarters will be made as soon as determined practicable by departmental supervision after the first of the year. The provisions of Article VI, Section 2 will govern the classified seniority of all employees who are transferred. These reassignments are not subject to the grievance and arbitration procedure. Once a reassignment between headquarters is made, the transferred employee will assume the work assignments, vehicle assignments and holiday and other schedules that were assigned to the employee with whom the trade is made.

This procedure in no way alters the contractually provided right of the Company to unilaterally effect transfers and reassignments to effectively conduct its business. Additionally, this procedure does not alter the long established practice of assigning new employees in the starting level job Mechanic III to the various headquarters of Gas Operations.

It was also agreed that the provisions of Article VIII, Section 2 will not apply to these transfers. It must be understood that a transferred employee's scheduled vacation may have to be changed, if, during that period, the number of employees leaving on vacation from an individual's new headquarters handicaps the operation of the department.

It is thought that the above agreed to arrangement for the term of the 2002 – 2007 Contract will satisfy the Union's request in this matter.

Very truly yours,

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

John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

A-54

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

January 18, 2002

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Compensation for Non-industrial Medical Appointments

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the compensation of employees performing limited duty work, while attending necessary medical appointments during working hours for non-industrial illness or injury.

It was agreed that when such appointments cannot be made outside of the normal working hours, employees will be paid sick pay for time away from the job for verifiable appointments. However, such compensation will only be granted after an employee has met the applicable sick pay waiting period for the same condition as necessitates such follow-up appointments.

It was also agreed that employees will make every effort to schedule such appointments during off duty hours. If this is not possible, such appointments should be made either at the beginning or at the end of their shifts. In addition, it was agreed that employees would only be eligible to receive sick pay for time lost to these appointments if they present verification that they attended them.

It is believed that this adequately describes the accord reached above for the 2002 – 2007 Contract regarding sick pay for doctor visits during normal working hours.

Very truly yours,

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

John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

A-55

January 18, 2002

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

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 E. Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Paid Lunch Periods

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the continuation of the paid lunch periods for bargaining unit employees.

The Company and Union agreed that the paid lunch periods would continue at this time. The Company, however, expressed concern about increased costs and loss of productivity that could result from employees not carrying out the "eat on the run" concept as it was intended.

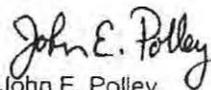
During the discussions, it was agreed that the "eat on the run" concept was the basis upon which the parties agreed to implement the paid lunch periods in 1996. Under that concept, it is expected that employees should have their lunch provisions available prior to leaving the headquarters each working day. When necessary, stopping during the working day to purchase lunch is permissible, but must occur only in transit between job sites and the time spent doing so should be held to a minimum. Lunch is to be consumed at or between job sites during the working day in an approximate 15-minute time period.

As a result of the discussions, the Company committed to re-emphasizing with the work force the above expectations of employees. In turn, the Union agreed it would reinforce with employees the importance of obtaining lunch before leaving the work headquarters in order to maximize productivity during the working day.

The Company agreed to discuss with the Union issues pertaining to the paid lunch periods on a quarterly basis in an attempt to identify and resolve any problems associated with this practice.

It is believed that the above adequately describes the agreement reached during the discussions on the subject of lunch periods.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsing
M. McAlpin

A-57

January 18, 2002

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

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Martin Luther King, Jr. Day

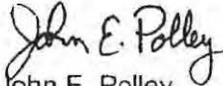
Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the Union's proposal to add Martin Luther King, Jr. Day as a holiday.

As was agreed during these meetings, an additional holiday will not be added. As a result of the discussions at these meetings, however, it was agreed that the Company would give consideration to allowing as many employees as practicable to take their personal day off with pay on Martin Luther King, Jr. Day, during the term of the 2002 – 2007 Contract. All requests for a personal day must be made by employees at least 7 days prior to this date. In the event that more employees request a personal day on that date than the Department can permit off, system service will be utilized in determining which employees at a specific work location will be granted the time off from work. It was further agreed that the number of personnel to be permitted off on that day will be determined by the department so as to insure safe and efficient operations.

By proceeding in this manner it is thought that the concerns of the Union in this area will be met.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsing
M. McAlpin

A-58

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

January 18, 2002

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Call Out Pay

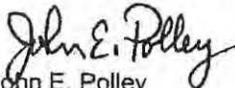
Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the issue of multiple call outs within one four-hour period.

An employee who is called out for an overtime assignment will receive four hours' pay at the appropriate overtime rate. However, the Company clarified with the Union that employees called out more than one time within the same four-hour time period are not entitled to the payment of a second four-hour callout minimum. In those instances employees are paid additional overtime for any overtime worked beyond the initial four-hour period.

In most cases, if employees complete the overtime assignment within the four-hour period the Company will continue to release employees to return home rather than requiring them to remain at the headquarters for the entire four-hour period. However, employees are expected to remain available for the remainder of the four-hour period for additional assignments. If they are called out again during the initial four-hour period, it will be considered a continuation of the initial overtime assignment.

Very truly yours,


John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin

A-60

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

January 18, 2002

Mr. Dave McLean
Mr. Eldon House
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246



Re: Promotional Retraining

Dear Gentlemen:

During the 2002 – 2007 contract negotiations, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the guidelines for promotional retraining of employees within the bargaining unit.

As agreed, an employee who does not pass a promotional examination shall be given the opportunity to meet with a trainer, on his or her own time, for remedial training.

In addition, for the term of the 2002 – 2007 Contract, the Safety and Technical Training area of the Regulated Business Unit will provide a one-time retraining opportunity, upon the employee's request, if a minimum of 12 months has transpired since the first re-test or 15 months from the original test. There must be an available posted opening and a scheduled training class. Travel pay will be provided as specified within the Contract.

Retesting will cover all of the material in the training program. Promotions will then become effective, after successful completion of the test, in accordance with the current posted job opening.

It is believed that this correspondence adequately describes the accord reached by the parties concerning this subject.

Very truly yours,

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

John E. Polley
General Manager
Labor Relations, Safety
And Disability Programs

cc: D. Helsinger
M. McAlpin



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

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Supervisory Upgrades

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the Union's concerns relative to the use of bargaining unit employees to fill in as temporary supervisors during non-core hours.

The Union stated that, under normal conditions on the day shift, certain issues are created when employees from the bargaining unit are put in the position of performing supervisory duties. However, the Union expressed even greater concern over the potential for more serious issues if employees are upgraded and placed in a temporary supervisor role during non-core hours, such as the night shift, when no other management resources are available on the premises.

Based on the Union's concerns, the Company stated its intent to avoid, when possible, using employees in the temporary supervisor role under circumstances where no other management resources are readily available. While management must maintain its right to assign work as needed, when making temporary supervisory assignments in the future, consideration will be given to the scope of duties assigned during non-core hours if other management resources are not available.

Very truly yours,

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

Jay B. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06

A-62

6/03/2011

**Subject: Overtime Guidelines - Field and Systems Operations,
Contractor Construction, Corrosion, Gas Production and
the Measurement Center, USW's 12049 & 5541-06**

1. When overtime occurs within a job classification, the Company agrees to maintain a system of selecting the employees within the job classification, in a sincere effort to equalize overtime work. The Company will make a documented attempt to contact the available low overtime employee by telephone, as indicated by the overtime list, to offer the overtime work. Each employee is responsible for providing supervision with a single telephone number (land line or cell) for the Company to use when making the calls.
2. Overtime Headquarters:

Monfort Heights	Erlanger	Queensgate
Todhunter	Valley View	Dicks Creek
Erlanger Gas Plant	Eastern Avenue	

3. Each Headquarters will maintain a separate overtime list for the assigned personnel. Accumulated overtime shall consist of all overtime, casual, scheduled, call out and waived.
4. Crew Leaders (MOI, GPOI, GSOI and MSOI) and Helpers will be shown on one overtime list. Once a Crew Leader has been acquired, based on low overtime, then management will follow the low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.
5. All overtime listings revert to zero (0) hours during the first pay period of each year, and shall be accumulated on an annual basis.
6. At the first of each year, employees will be placed in the order of their seniority by job classification on one list. Other groups such as Welders, Inspecting Mechanics, etc. will be on separate list.
 - a. The classified seniority standing of MOI's, MOII's, MOIII's, etc. (from highest classification to lowest classification) will be used to place the employees in order of call-out priority, most senior first.

6/03/2011

- b. The new overtime list will be posted on Wednesday of the first full week of the year, and each Wednesday thereafter recording the overtime worked or waived the previous week.
7. Employees will not be contacted to work overtime (scheduled or call-out) when they are on one (1) or more weeks' vacation, off due to illness, voluntary, or death in the family. Employees on less than one week vacation and/or personal days will be eligible for call-out on the day(s) they are off at the end of the regular shift. Employees taking a week or more of vacation must notify their immediate supervisor in writing prior to that start of vacation of their desire to work scheduled overtime during the vacation week.
8. When calling out a crew or a single employee, the existing low overtime list shall be used. A sincere effort will be made to follow the overtime list in order, however, in emergency situations, as determined by the Supervisor, only the first five (5) employees will be called before choosing someone. Any employee that supervision makes the documented attempt to reach by phone, or those who are contacted and turn down the overtime assignment, shall be waived the amount of overtime worked by the employee that replaces him or her. If no employee agrees to work the required overtime, the lowest qualified employee on the overtime list will be required to work. If, for some reason, no attempt is made to contact the low overtime person for a particular overtime assignment, that employee shall be provided the appropriate amount of make-up overtime.

Employees who do not wish to be considered for overtime opportunities may submit to their supervisor a written waiver to that effect. Under normal circumstances no effort will be made to call those employees and they shall be waived the appropriate amount of overtime in each instance attempts to contact them would otherwise have occurred. However, such a waiver in no way limits management's right to require the employee to report for overtime when circumstances are deemed necessary by supervision. Nor does the waiver provide the employee the right to refuse to report when required. In addition, management may limit the number of employees who can submit waivers at a headquarters if its business needs are impeded. Except as stated above, employees who submit a waiver will not be called for overtime opportunities for the remainder of the calendar year in which the waiver has been submitted. Employees must submit a new waiver at the beginning of each calendar year to be removed from the overtime call out list.

6/03/2011

9. Employees, who are working overtime, may be required to respond to emergency situations in other headquarters. However, in the case where a crew works in excess of four hours of overtime in the other headquarter area, the Company shall provide make-up overtime in the appropriate amount to the employee(s) within that area who was low on the overtime list.

The make-up overtime shall be the amount of time worked in the other headquarter area. The four hour period commences at the time the crew is dispatched to the other headquarter area.

This language applies only to shift work and call-outs and does not apply to casual overtime.

10. Up to two hours per day of casual overtime may be worked by employees represented by USW 12049 working in other headquarters within the 12049 local territory.

In addition, up to two hours per day of casual overtime may be worked by employees represented by USW 12049 and 5541-06 working within the Gas Service area regardless of Union boundaries. Management will use the least senior available employees, represented by USW 5541-06, in USW 12049's local territory, when practical. The arrangement provided for in this paragraph will be reviewed on a semi-annual basis. If any party elects to withdraw for just cause from this casual overtime arrangement, a six-month written notice will be provided, by the party withdrawing, to the remaining parties that have agreed to this arrangement.

11. If the need to work casual overtime becomes known before the end of the shift, the Supervisor is not required to ask the low overtime person.

Supervisor discretion and consideration of overtime will be used in the assignment.

12. Employees transferred from one headquarters to another, as a permanent assignment, will be assigned at the average overtime for that classification.

Temporary Reassignments: Overtime will be posted and worked at the temporary headquarters (the employee's actual overtime hours should travel with them.)

6/03/2011

13. When posting for volunteers for scheduled overtime, all employees shall be charged for overtime waived.
14. Any employee voluntarily transferring from one seniority district to another district will be placed at one (1) hour more than the highest overtime in that classification at the new location. If the employee is forced to the new district, they will be averaged as in #11 above.
15. When scheduled or call-out overtime is needed, management will follow the low overtime order to contact and acquire the appropriate low overtime person to complete the task at hand.
16. Newly hired employees will not be eligible for call-outs or the schedule until they have worked for six (6) months after they have been trained, tested and fully qualified. After their release from training, they will be permitted to work their first off day when all other qualified employees have been given an opportunity. They are permitted to work casual overtime during the six month period.
17. If overtime is required to fill a shift vacancy or to add additional personnel the overtime list shall be used.
18. When planned overtime occurs employees will need to comply with current D.O.T requirements for hours of rest between shifts in order to be eligible
19. When scheduled or call-out overtime for welders is required, the following procedure will be used. The Northern local welder overtime list should be used for the northern area. The Kentucky overtime list should be used for Kentucky. The Central overtime list should be used for the central area. Central area will backup the north and south, and vice versa.

6/14/07

**SERVICE DELIVERY
USW OVERTIME GUIDELINES
2007**

- 1) The Power Delivery Work Center is the primary resource for maintaining, logging, tracking, obtaining, and reporting Combination Worker overtime. Occasionally, the Field Supervisor will request personnel to work overtime. When this occurs, it is the Field Supervisor's responsibility to forward the required information; i.e., personnel who will work the overtime, personnel who waived the overtime, etc. to the Work Center Schedule Desk.
- 2) Each Work Area (North, South, Central, and East) will have a separate, single overtime list containing the names of the Combination Workers in low overtime order (lowest being first on the list), their bargaining unit affiliation, the call-out contact telephone number provided by the employee, and associated prior week and year-to-date accumulated overtime hours. To begin this process in 1999, on Wednesday, January 6th, 1999, employees' names on the combined overtime listing in each Work Area will be kept in the same order as they were at the end of the 1998 combination overtime accumulation period; i.e., the week preceding January 6th. However, the combined listing for January 6th will display the accumulated hours for all employees as zero hours. In January of 2000, employees on the overtime listing will have their listed hours reduced by the total hours of overtime listed for the individual on that listing who has the least number of overtime hours at the end of the 1999 accumulation period.
- 3) All overtime worked and waived, with the exception of overtime hours worked by employees normally scheduled to work on holidays, will be accumulated and reported on the overtime list(s) on a weekly basis (Wednesday of each week). Overtime hours worked will be determined from the prior week's Labor Data Capture System (LDCS) data. Overtime hours waived will be determined from annotations on the previous week's overtime report. Employees who are informed of their need to work an overtime assignment will be charged waived overtime for instances when they are contacted in person (or in person by phone) and are allowed to waive the overtime assignment. The number of compensated hours earned by the individual(s) who accepted that overtime assignment will determine the number of hours waived. If one individual is required to work an overtime assignment, the number of hours waived will be equal to the hours worked during that individual assignment. If more than one individual is required to work an overtime assignment, the number of hours waived will be equal to the average number of hours between the highest individual's and lowest individual's number of hours worked during that overtime assignment. (Example: Five employees are required to work an overtime assignment with employee A working 9.0 hours, employee B working 7.0 hours, employees C & D working 4.0 hours and employee E working 2.0 hours; the waived overtime would be calculated: $9 \text{ hours} + 2 \text{ hours} = 11 \text{ hours} / 2 = 5.5 \text{ hours}$). Tenths of a hour will be rolled-up to the nearest 5/10 of an hour. Waived hours will be included in the accumulated overtime hours listed for those employees who waived the particular overtime assignment.
- 4) All overtime, worked and waived, will be accumulated on an hour per hour basis. Hours of compensated overtime plus hours of waived overtime will be combined and will reflect the total overtime hours for each employee on the overtime listing(s).

6/14/07

- 5) When it is determined that additional personnel are needed to work overtime for *routine combination work*, employees in the work area (North, South, Central, or East) where the overtime is needed will be offered the opportunity to work the overtime, beginning with the lowest overtime, qualified, available employee and continuing down the list, in low overtime order, until the required number of employees are obtained. *Please note that if the overtime is necessary to fill a shift vacated due to illness or other unplanned absence of an employee, the filling of that shift must come from the appropriate bargaining unit. For example, the USW employee who is assigned to cover the City area on 2nd shift calls in sick and the Dispatcher determines that the work load is sufficiently heavy enough to warrant filling that vacancy. In this case, the overtime to fill this vacancy must come from within the USW personnel in the Central work area.*
- 6) When it is determined that additional personnel are needed to work overtime for *trouble work (gas or electric)*, only employees in the work area (North, South, Central, or East) who are qualified to work that type of trouble (gas or electric) will be offered the opportunity to work the overtime. The appropriate bargaining unit personnel will be offered the overtime, in low overtime order, until the required number of employees are obtained. *Please note that in the event of a natural disaster or similar emergency, when it is necessary to respond quickly to turn off and/or disconnect utility services, any combination worker may be offered the overtime.*
- 7) If the Dispatcher or other person contacting employees to work overtime is unable to obtain the required number of employees after going through the entire overtime list for that Work Area (North, South, Central, or East), employees in the next logical geographic work area will be offered the overtime, in low overtime order, until the required number of employees is obtained, based on the following chart:
 - a) Overtime list in North exhausted; contact employees in Central, then East, then South.
 - b) Overtime list in South exhausted; contact employees in Central, then East, then North.
 - c) Overtime list in Central exhausted; contact employees in East, then South, then North.
 - d) Overtime list in East exhausted; contact employees in South, then Central, then North.
- 8) Qualified, available employees may work or be waived overtime seven days per week. A sincere effort will be made, however, to avoid working an employee more than 16 hours on any given day. As agreed with the USW, a sincere effort will also be made to avoid working any USW employee "back-to-back" 16-hour days.
- 9) If it is determined by management that the need exists for all employees at a headquarters to work a day of overtime in a particular week, all employees at that headquarters will be provided the opportunity to work on their first scheduled day off.
- 10) Employees who may be absent from work for extended periods of time will have no adjustment made to their hours on the overtime listing. The only exception to this would be if the employee's absence occurred during the new year, when the uniform reduction in overtime hours shown for all employees would occur.

6/14/07

- 11) With the implementation of the Mobile Work Management System (MWMS) system and Home Based Reporting in each Work Area, additional "start-of-shift" and "end-of-shift" overtime guidelines are necessary. Employees who are contacted prior to the start of, or after their shift has ended, for communication purposes only will be compensated as follows:
 - a) If they have not yet left home, or are traveling toward their geo-grid prior to the start of their shift and are contacted momentarily by supervision, but are not required to begin working at that time, overtime pay at the appropriate rate for the amount of time such contact is made will be paid. This amount of time will also be added to the employees "worked overtime" accumulation for that day.
 - b) Employees who are on their way home and are contacted after their normal shift has ended for communication purposes only, but are not required to resume working will receive overtime pay at the appropriate rate for the amount of time such contact is made. This amount of time will also be added to the employees "worked overtime" accumulation for that day.
 - c) Employees who are contacted by supervision and given a job assignment within fifteen minutes of their scheduled start time will be paid overtime at the appropriate rate for the amount of time preceding their start of shift. Employees contacted by supervision and given a job assignment prior to fifteen minutes before the start of their scheduled shift will be paid overtime at the appropriate call-out rate.
 - d) Employees who are contacted by supervision and given a job assignment after they have confirmed their 10-7 with the dispatch office and after the end of their scheduled shift will be paid overtime at the appropriate call-out rate.
- 12) Overtime hours worked for "call-out" overtime for employees who home Base Report will be considered the total hours (minimum of 4 hours) elapsed from the time the employee leaves his or her home until his or her return home from that assignment when those hours are not contiguous with their normally scheduled shift.

Company: Jay Alvaro
 Jay Alvaro
 Managing Director, Labor Relations

6/15/07
 Date

Union: Dave McLean
 Dave McLean
 Sub District 5 Director, USW

6/15/07
 Date



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

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Inclement Weather – Service Delivery

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed issues with unusually harsh weather conditions and the need of the Service Delivery Department to meet customer service expectations.

It is understood that the July 5, 1979 negotiations letter pertaining to inclement weather is applicable solely to the working forces in the Construction & Maintenance Division of Gas Operations. However, the Union expressed concern about work assigned to the Service Delivery employees during periods of extremely frigid temperatures. The Union wanted assurance from the Company that employees in Service Delivery would not be assigned work that would require them to endure extended periods of exposure to such weather conditions.

The Union was assured that management of Service Delivery has no intention of requiring employees to remain outdoors in frigid temperatures for prolonged periods to complete work that is not necessary to conform to law or applicable regulations, to protect life, property, or to guarantee service to the customers. However, some of the work performed routinely at customers' residences may require employees to be outdoors for short periods of time. Fortunately, under normal circumstances, employees are able to warm themselves in their vehicles or in the customers' residences as needed to avoid any risk of overexposure.

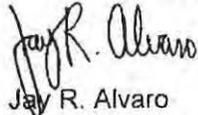
A-65

August 1, 2007
Page 2

Of concern to the Company is the fact that much of the customer work routinely performed at customers' residences is on the basis of pre-arranged appointments. Customers often make special arrangements themselves in order to be home at the times of those appointments. Therefore, the Company must sometimes make reasonable strides, even under some adverse conditions, to avoid missing or cancelling its promised appointments with little or no notice.

The Company gave assurance to the Union that Service Delivery will continue its efforts to anticipate extreme weather events and to make adjustments as circumstances may allow for minimizing the need for employees to work outdoors for extended periods in extremely cold weather.

Very truly yours,



Jay R. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06



June 3, 2011

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

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

RE: Health Care Benefits

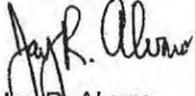
During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the cost of providing health care benefits to Union members and their eligible dependents. The Company and the Union agreed to the terms under the Duke Energy Medical Plan set forth below for the specially negotiated exclusive provider organization ("EPO") plan design to be made available to Union members and their eligible dependents from January 1, 2012 to December 31, 2012, and for other enterprise options to continue to be made available to employees at the Company's discretion.

Specially Negotiated EPO Plan

1. From January 1, 2012 to December 31, 2012, Union members will have access to the specially negotiated medical coverage option set forth in the attached Exhibit "A" ("USW 2012 Enhanced EPO Plan Design"); this medical coverage will be provided pursuant to the terms of the Duke Energy Medical Benefit Plan, with benefits no less favorable than those outlined in Exhibit "A", attached hereto.
2. From January 1, 2012 to December 31, 2012, Union members will be provided a subsidy equal to 72.5% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents. From January 1, 2012 to December 31, 2012, Union members will pay 27.5% of the premium (calculated using standard actuarial procedures) applicable to the Medical coverage of the Union members and their eligible dependents.

A-66

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro". The signature is written in a cursive style with a large initial "J" and "A".

Jay R. Alvaro
Vice President of Labor Relations

Attachment

USW Locals 12049 and 5541-06
 2012 EPO Plan Design
 "Not to Exceed Schedule"

Plan Type	Not to Exceed in 2012
Plan Name	Exclusive Provider Organization Enhanced EPO Option
<u>Coinsurance Percentage</u>	
<u>(after deductible or copay):</u>	
In-Network	100%
Out-of Network (subject to reasonable & customary charges)	N/A
<u>Annual Deductible:</u>	
In-Network	\$0
Out-of Network	N/A
<u>Out-Of-Pocket Mximum:</u>	
In-Network	\$0 Individual: \$0 Family
Out-of-Network	N/A
<u>Lifetime Coverage Limit:</u>	
	Limit does not apply
<u>Primary Doctor Office Visit:</u>	
In-Network	\$45 copay
Out-of-Network	N/A
<u>Specialist Office Visit:</u>	
In-Network	\$55 copay
Out-of Network	N/A
<u>Outpatient Surgery:</u>	
In-Network	\$75 copay
Out-of Network	N/A
<u>Outpatient X-Ray:</u>	
In-Network	\$0 copay; MRI, CAT, and PET scans; 100% covered - all other x-ray services
Out-of-Network	N/A

USW Locals 12049 and 5541-06
 2012 EPO Plan Design
 "Not to Exceed Schedule"

Hospital Copay:

In-Network	\$350 copay per admission
Out-of-Network	N/A

Emergency Room (not followed by admission):

In-Network	\$125 copay; copay waived if admitted
Out-of-Network	N/A

Urgent Care Clinic Visit:

In-Network	
Out-of-Network	\$75
	N/A

Prescription Drugs:

Retail annual deductible

(In- and Out-of-Network)	N/A
--------------------------	-----

Retail generic	\$20
----------------	------

Retail formulary brand*	\$40
-------------------------	------

Retail nonformulary brand	\$80
---------------------------	------

Mail order generic	\$50
--------------------	------

Mail order formulary brand*	\$100
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Mail order nonformulary brand	\$200
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^ Coinsurance applies to charges in excess of the copay

** If brand is purchased when generic is available, brand copay plus cost difference between brand and generic drug*



LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

RE: Union Employees' Annual Incentive Program (UEIP)

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed that the payout for the incentive bonuses for employees will be modified to incorporate goals relative to Safety and the Company's financial results.

Beginning with the goals established by the Company for 2012, the UEIP payout (payable beginning in 2013) will be administered as follows:

Annual Incentive Plan Summary for those who participate in the New Retirement Program:

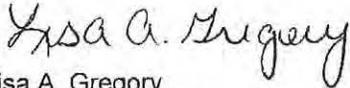
In conjunction with the New Retirement Program, under the Pension Plan, all participants will be eligible for up to a 5% maximum (1.75% minimum, 3% target, 5% maximum) annual incentive opportunity. Beginning in 2012 through 2013, 20% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 80% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company. Beginning in 2014, 33% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 67% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company.

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

Employees who remain in the Traditional Program, under the Pension Plan, which provides benefits under the current final average pay formula, will be eligible for up to a 2% maximum (.75% minimum, 1.25% target, 2% maximum) annual incentive opportunity. Beginning in 2012 through 2013, 20% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 80% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company. Beginning in 2014, 33% of the annual incentive opportunity will be based on safety goals as determined and established by the Company (i.e., number of recordables, preventable vehicular accidents, etc.) and 67% will be based on the Company's financial goals (i.e., earnings per share, net income, etc.) as determined and established by the Company.

Very truly yours,



Lisa A. Gregory
Director, Labor Relations



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

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Employees with \$9,000.00 Paid-Up Post-Retirement Life Insurance Coverage

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the \$9,000.00 paid-up post-retirement life insurance benefit that certain employees have available to them.

The Company assured the Union that it would provide the necessary updated contact information for the current carrier and administrator of those benefits to the active employees with those grandfathered policies.

Very truly yours,

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

Jay B. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06

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

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Sabbatical Vacation Bank and Vacation Credit Programs

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs.

As agreed, these programs shall be phased out in accordance with the attached document, Attachment A, which outlines the specific revisions to the Sabbatical Vacation Bank and Vacation Credit Programs that will remain in effect through December 31, 2011.

The Company and the Union expressly understand and agreed that the phasing out of the Sabbatical Vacation Bank and the Vacation Credit Programs, as stated in the attached document, shall continue in full force until December 31, 2011, surviving the termination of the 2007 – 2011 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,

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

Jay R. Alvaro
Managing Director
Labor Relations

Attachment

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06

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Attachment A

**REVISIONS TO THE SABBATICAL VACATION BANK AND VACATION
 CREDIT PROGRAMS
 FOR USW 12049 & 5541-06 LEGACY CINERGY EMPLOYEES**

Effective January 1, 2008, the Vacation Bank and Service Credit programs will be phased out over a four year period for employees who are eligible for them as of December 31, 2011. As a reminder, employees are eligible to bank vacation if they are at least 47 years old, and are eligible to receive "vacation credits" if they are at least 51 years old.

The Changes:

Sabbatical Vacation Program:

- The sabbatical banking program will be eliminated for employees who are younger than 47 years old as of December 31, 2007.
- Employees who are 47 years old or older as of December 31, 2007 will be eligible to continue banking vacation until December 31, 2011, up to the limits described on the chart below.
- Employees who have already banked more than the maximum amount of vacation based on the schedule below (including any vacation credits) cannot bank more after January 1, 2008, but will be grandfathered with the amount they have banked.
- No additional banking will be permitted after January 1, 2012. Therefore, the last opportunity to bank vacation will be in December 2011 because banking is done at the end of the year.
- Banked vacation will be paid out at the final rate of pay at retirement.

Vacation Credit Program:

- The vacation credit program will be modified for employees who are younger than 51 years old as of December 31, 2011. For those employees hired prior to January 1, 1997 and who are age 50 or older at the time they leave the Company, they will continue to receive vacation credits up to the amount of vacation time they were eligible for as of January 1, 2006.
- Employees who are at least 51 years old as of December 31, 2011 will continue to receive vacation credits up to the lesser of their annual vacation entitlement or the schedule below.
- Vacation credits will be paid out at the final rate of pay at retirement.

Service Credit Program:

- Employees will continue to receive one week of service credit added to their vacation bank in years 32 and 33 of employment in lieu of time off until December 31, 2011. Effective January 1, 2012, employees will be granted a 6th week of vacation time off during their 32nd year of employment in lieu of a week of service credit.

The Schedule:

Age as of 12/31/2007	Maximum Banked Vacation Weeks (including vacation and service credits)	Maximum Vacation Credits (not to exceed annual vacation eligibility)	Service Credits (granted at 32 and 33 years of service in lieu of time off)
47	10	up to 6	
48	10	up to 6	
49	10	up to 6	
50	12	up to 6	Up to 2
51	14	up to 6	Up to 2
52	16	up to 6	Up to 2
53	16	up to 6	Up to 2
54	18	up to 6	Up to 2
55	20	up to 6	Up to 2
56+	22	up to 6	Up to 2



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

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 and 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

RE: Sale of Assets

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed employment security for bargaining unit employees. The Company and the Union reached the following agreement:

I. Divestiture Issues

The utility industry is in the midst of major restructuring. It may become necessary or prudent, in the Company's sole judgment, to sell, divest, transfer or swap its gas assets or operations to a third party or to transfer gas assets or operations to a subsidiary, a joint venture, or other business combination. Employees who accept employment with the Buyer will be covered by the collective bargaining agreement with the Buyer. Employees who are offered employment by the Buyer will have their employment at the Company terminated on the transfer date and will have no future rights under the Labor Agreement between the Company and the Union. The Labor Agreement must be interpreted to require no other result.

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II. The Company and Union have conducted bargaining regarding potential divestiture, sale or transfer of assets.

A. As a condition of divestiture (e.g., sale, transfer or swap of assets as defined above), the Company will:

1. Require the Buyer to offer equivalent employment to any Union employee whose job is eliminated as a result of the Buyer's acquisition or purchase, including employees absent from active service due to illness or leave of absence, whether paid or unpaid but excluding employees on long-term disability as of the closing date. (However, employees who are on "own occupation" long-term disability and return to work within one year of the transfer of ownership of the asset, will be offered employment by the Buyer.) In the event that not all jobs of employees in a bidding area are eliminated, the Company will initially solicit volunteers, with the most senior employees getting the first opportunity to elect to stay at the Company or fill the vacant positions with the Buyer. If there are insufficient volunteers to fill all vacancies, the Buyer will offer the remaining positions to the least senior employees.
2. Subject to paragraph II B, require the Buyer to recognize the Union as the collective bargaining agent for bargaining unit employees the Buyer employs, and assume provisions identical to provisions of the Labor Agreement applicable to those bargaining unit employees.
3. Subject to paragraph II B, require the Buyer to provide employees with full credit for service with the Company, including retention of seniority under the provisions of the Labor Agreement.
4. Require the Buyer to agree that, prior to the expiration of the Labor Agreement, should Buyer transfer, sell or divest to any other business entity (regardless of relationship to the Buyer) the corporate gas assets or operations formerly owned by the Company, the Buyer will require the third party to assume the conditions set forth in paragraphs II A 1-3.
5. This Agreement satisfies any Company duty to bargain over the decision or effects of a transfer or sale of assets.
6. If any regulatory agency requires the Company to offer severance or other benefits to affected employees, the employees may accept those benefits or the benefits provided under this Agreement, but not both.

B. Employee Benefits

The Company will require the Buyer to provide to affected bargaining unit employees' benefits that are substantially equivalent to the Company's benefits under the Labor Agreement. In doing so, the Buyer may use

different providers and establish new benefit plans or use its existing plans. There will be no duplication of coverage. Subject to items 1 through 5 below, the Buyer must recognize service with the Company for calculating eligibility, vesting, and benefits in any benefit plan, program, or fringe-benefit arrangement, provided it does not result in duplication of benefits. The Buyer can substitute a different benefit package if the Union agrees.

1. With respect to the Cinergy Corp. Union Employees' Retirement Income Plan ("Pension Plan"), the Company will coordinate with the Buyer to enable the Buyer to provide employees no less than the pension benefit they would have received had they remained at the Company. The Company will require the Buyer to agree to credit all past service with the Company (subject to the Company's Pension Plan provisions) for eligibility for participation, vesting, early retirement subsidies, and benefit accrual service, provided it does not result in duplication of benefits. The Company will be responsible for its employees' benefits accrued through the date of closing. After the date of closing, the Buyer will be responsible for benefits accrued during the remainder of the Labor Agreement by its employees. The Buyer's plan may offset the benefit it pays by any benefit paid by the Company's plan.
2. For purposes of medical and dental coverage, the Company will require the Buyer to waive all limitations regarding pre-existing-condition exclusions, actively-at-work exclusions and waiting periods for employees who become employees of the Buyer. Further, for the calendar year in which closing occurs, all expenses incurred by bargaining unit employees that count towards any deductible or out-of-pocket limit under the Company's health plans shall also count towards any deductible or out-of-pocket limit under the Buyer's health plans.
3. The Buyer will be required to give affected bargaining unit employees full credit for all vacation, short-term disability, or FMLA benefits accrued but unused as of the transfer of ownership.
4. With respect to the Duke Energy Retirement Savings Plan for Legacy Cinergy Union Employees (Midwest), the Buyer must establish a 401(k) plan or add bargaining unit employees to its existing 401(k) plan provided that the employees' deferral options and employer match (except that matching contributions will not be made in Duke Energy stock) are no less favorable than those provided under the Company's plan. The Buyer must accept rollovers from other qualified plans. The Buyer may offer investment funds different than those offered under the Company's plan. Consistent with applicable law, employees hired by the Buyer will have the option of leaving their account balance in the Company's 401(k) plan, rolling the amount into the Buyer's plan or an individual retirement account, or cashing in the account balance subject to any tax withholding and penalties.

5. Employees offered employment by any Buyer shall not be eligible for severance pay or any other termination benefits from the Company, unless required by law.

C. Transfer of Assets

Bargaining unit employees offered employment by the Buyer will cease to be employees of the Company upon the transfer of ownership of the assets and will have no further bidding, recall or other rights for positions in the Company. Upon transfer of ownership, the Company is relieved of obligations and liabilities under the Labor Agreement or otherwise to all affected bargaining unit employees or employees of the Buyer.

D. Legal, Administrative or Legislative Proceedings

The Union will support and it will not oppose or in any way support or encourage opposition to the Company's position before regulatory or administrative agencies, in legislatures or in court, regarding any rate proceedings, plant or gas pipeline siting proceedings, mergers, acquisitions, divestitures or similar transactions announced or begun during the term of the Labor Agreement or the Company's effort to seek approval from any applicable regulatory agency for its recovery of stranded costs or asset swap or sale. In addition, the Union will support agreements (including settlements) between parties involved in the Company's stranded-cost determinations as reasonable and support the Company's position that the stranded costs it has identified are reasonable in amount and fully recoverable from customers. The Company will provide the Union as much timely information as is reasonably practicable about its regulatory and legislative proposals. The agreement set forth in this paragraph is not intended to limit legislative or regulatory actions on matters not reasonably related to the Company's restructuring and stranded-cost proposals.

E. Notwithstanding any provision of this letter to the contrary, the Company will satisfy all of its obligations under Sections II(A)(1)-(5) and II(B)(1)-(4) of this Letter so long as it uses reasonable efforts to require the Buyer to provide the items described therein.

III. Transition Assistance Plan

- A. The Company will offer certain benefits to employees who lose employment as a result of a divestiture (e.g., sale, transfer or swap of assets) that results in a loss of employment for employees not located at the asset that was divested. Employees offered employment with the new owner will not be eligible. These benefits are contingent on the employee signing a waiver of all claims and release of liability for the Company and affiliates and will include:

1. Severance Benefit. A lump sum cash benefit for eligible employees equal to two weeks' base pay for each full year of service, with a minimum of eight weeks' and a maximum of one hundred four weeks' pay per eligible employee.
2. Deferred Pension Benefit. If over age 50 and would be eligible for unreduced pension benefits at age 55 (due to 85 points provision), may defer receipt of pension benefits until age 55 and receive unreduced pension benefits.
3. Medical and Dental Benefit. Union employees who voluntarily sever may elect to continue insurance coverage for a period of one month for each year of service up to a maximum of 18 months by paying premiums applicable to active employees. Coverage for medical and dental benefits under the Company's welfare benefits program generally ends on the last day of the month in which employment with the Company ends. Eligible employees generally can continue health coverage (i) if they are eligible for post-retirement health benefits or (ii) for 18 months under the Federal Law "COBRA" by paying 102% of the full premium.
4. Group Outplacement Assistance.
5. Educational Expense Reimbursement. The Company will reimburse eligible employees for up to \$2,600 for educational expenses that they incur within two years of the date they terminate employment with the Company.

IV. Resolution of Disputes

A. Resolution of Disputes Between the Company and the Union

1. Any and all disputes between the Company and the Union regarding the Company's and the Union's interpretation or application of the terms of this Agreement shall be resolved exclusively through the grievance-arbitration procedures set forth in Articles IX and X of the Labor Agreement.

B. Resolution of Disputes Between Buyer and Union

1. Any and all disputes between the Buyer and the Union regarding the Buyer's and the Union's interpretation or application of the terms of this Agreement or regarding any other agreement between the Buyer and the Union, shall be resolved exclusively through whatever dispute resolution process and procedure to which the Buyer and the Union agree, if any.

This Agreement satisfies any obligations to bargain over the decision or effects of utility industry restructuring or divestiture of assets. This Agreement is hereby incorporated into the Labor Agreement and is made a part hereof, Unless otherwise expressly agreed in

Page 6

writing by the Company and the Union, any extension or termination of the Labor Agreement also shall apply to the terms and provisions of this Agreement.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jay R. Alvaro". The signature is written in a cursive style with a large initial "J" and "A".

Jay R. Alvaro
Vice President
Labor Relations



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

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Retirement Plan and HRA Conversion Agreement

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the Company's desire to migrate all employees to a common benefits program. The following outlines the agreement between the Company and the Union for providing the employees with options and protections for Retirement Plan participation and post-retirement health care benefit that will remain in effect beyond the 2007 – 2011 Contract.

Traditional Retirement Program Frozen:

Participation in the Cinergy Traditional Retirement Program will be frozen as of January 1, 2012 for certain employees. Active employees on January 1, 2012 who are younger than age 50 (as of December 31, 2011) and anyone who is older than 50 but has fewer than 25 years of service (as of December 31, 2011), will automatically begin participating in the New Duke Retirement Program.

Voluntary Conversion Opportunities:

Active employees in the Traditional Retirement Program will be offered a voluntary window in 2007 to elect to remain in the Traditional Pension Program or elect the New Retirement Program. In 2011, a second voluntary window will be offered only to those active employees who remain in the Traditional Program and who are age 50 with 25 years or more of service as of December 31, 2011.

Voluntary Conversion to the New Retirement Program:

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

AND

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August 1, 2007
Page 2

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

The Company matching contributions for the 401(k) plan will be enhanced to mirror the Duke Energy 401(k) Plan. As a result, employees will be eligible to receive higher matching contributions on a broader definition of pay. The higher amount is a dollar-for-dollar match on the first 6% of eligible pay (this includes base, overtime and annual incentive pay).

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

With Mandatory Conversion to the New Retirement Program:

1. Mandatory conversion will be effective January 1, 2012 for employees who are younger than 50 years old and anyone who is older than 50 but has fewer than 25 years of service, as of December 31, 2011. Other terms applicable to the mandatory conversion are as follows:
 - a. The final average monthly pay for retirement will be frozen at the time of conversion (no pay run up).
 - b. Employees will have no choice between annuity and lump sum on Part A; only the current traditional program annuitant options will be available for Part A.
 - c. Can still grow in to the 85 points.
 - d. Employees will receive the enhanced 401(k) and enhanced incentive pay as described above once they mandatorily convert.

Employees Currently in the Cash Balance Plans:

Employees who previously selected one of the Cinergy cash balance plans (Balance or Investor) will automatically transition to the New Retirement Program as soon as administratively possible, but no later than January 1, 2008, to include participation in a cash balance pension plan that mirrors the Duke Cash Balance Plan, an enhanced 401(k) plan to mirror the Duke Energy 401(k) Plan and enhanced annual incentive plan, as described below.

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

In conjunction with the New Retirement Program, all participants who volunteer or upon mandatory conversion to the New Retirement Program will be eligible for up to a 5% maximum (1.25% minimum, 2.5% target, 5% maximum) annual incentive pay based solely on the Company's financial results (i.e., earnings per share, net income, etc.).

August 1, 2007
Page 3

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

Employees who elect to remain in the Cinergy Traditional Program, which provides benefits under the current final average pay formula, will not be eligible for the higher incentive payout, but will continue their eligibility for the current Cinergy 401(k) Plan formula and will begin participating in an annual incentive plan, with a maximum award of 2% (.5% minimum, 1% target, 2% maximum) based solely on the Company's financial results (i.e., earnings per share, net income, etc.).

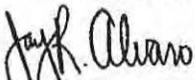
Post-Retirement Health Care Subsidy Discontinued:

In 2007, the Company will offer employees enrolled in the Post-Retirement Health Care subsidy program a voluntary window to either stay in the current Post-Retirement subsidy program or to convert to the Post-Retirement Health Reimbursement Account (HRA) at \$1,000/Year of Service. In 2011, any employee who is age 50 with 20 years or more of service as of December 31, 2011 will be offered another voluntary choice to convert to the HRA. Effective January 1, 2012, any employees remaining in the subsidy program younger than 50 years old or age 50 with less than 20 years of service, as of December 31, 2011, will be automatically converted to the Post-Retirement HRA.

The Retirement and HRA Conversion Agreement Survives the 2007-2011 Contract:

The Company and the Union expressly understand and agreed that the Retirement Program and HRA conversion agreement shall continue in full force through January 1, 2012, surviving the termination of the 2007 – 2011 Contract, and shall continue in force through succeeding contracts, or in the absence of succeeding contracts, unless changed by mutual agreement of the parties.

Very truly yours,



Jay R. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06



June 3, 2011

LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 and 5541-06
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Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Amendment to August 1, 2007 Sidebar Letter A-71

Dear Gentlemen:

During the 2011 contract negotiations, the Company and the Union discussed post-retirement health care. As a result of those discussions, the parties agreed to amend the Sidebar Letter A-71 dated August 1, 2007 entitled, "Retirement Plan and HRA Conversion Agreement."

Specifically, in consideration of the Union's agreement to modify Article VIII, Section 14(d) of the Contract to eliminate the post-retirement HRA Option for employees hired on or after January 1, 2012, the Company has agreed to amend the section titled "Post-Retirement Health Care Subsidy Discontinued" on page three of the August 1, 2007 letter effective as of the date of this letter, such that:

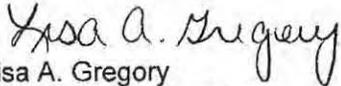
- (i) Employees hired prior to January 1, 2006 will be offered a voluntary choice in 2011 to convert to an HRA if they are not already in the HRA Program, regardless of the employees' age or years of service (i.e., the provision requiring that an employee has attained age 50 with at least 20 years of service as of December 31, 2011 in order to participate in the second voluntary window has been deleted); and
- (ii) Employees who choose to remain in the Traditional Program will not be forced into the HRA Program by the Company during the term of this Contract (i.e., the provision requiring that employees remaining in the subsidy program who have not

A-71a

attained age 50 with at least 20 years of service as of December 31, 2011 will be automatically converted to the Post-Retirement HRA has been deleted).

Except as provided above, the August 1, 2007 Sidebar Letter A-71 shall remain in full force and effect through the 2011-2016 Contract, and continue in force in any succeeding contracts unless changed by mutual agreement of the parties.

Very truly yours,


Lisa A. Gregory
Director Labor Relations



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

August 1, 2007

Mr. Dave McLean
Sub District 5 Director
Mr. Tim Bray
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

RE: Discontinue Automatic Progression

Dear Gentlemen:

During the 2007 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the discontinuation of the automatic progression agreement for employees in the Meter Specialist, Mechanic Operator, Gas Systems Operations, Service Mechanic and Gas Plant Operator job progressions.

As agreed, all employees in a job classification within the Meter Specialist, Mechanic Operator, Gas Systems Operations, Service Mechanic or Gas Plant Operator job progression on May 14, 2007 shall be grandfathered for the automatic progression promotional agreement for the job classifications of Service Mechanic A, Meter Specialist I, Mechanic Operator I, Gas Systems Operations Mechanic I and Gas Plant Operator I within those direct promotional sequences in the future. In addition, employees in the job classifications of DNP Worker or Mechanic III and are members of the bargaining unit on May 14, 2007 shall also be grandfathered for the automatic progression, but only to the Service Mechanic B, Meter Specialist II, Mechanic Operator II, Gas Systems Operations Mechanic II and Gas Plant Operator II job classifications in each of the above referenced direct promotional job sequences.

Employees who are newly hired into the bargaining unit on or after May 15, 2007, shall not be eligible for the automatic progression.

Very truly yours,

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

Jay R. Alvaro
Managing Director
Labor Relations

cc: M. McAlpin, USW, Local 12049
T. Caudill, USW, Local 5541-06

A-72

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

April 4, 2005



Mr. Dave McLean
United Steelworkers of America
1329 East Kemper Road
Building 400, Suite 4214
Cincinnati, Ohio 45246

Re: Benefit Claims Disputes

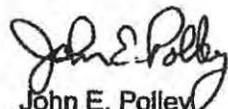
Dear Mr. McLean:

During the benefits opener discussions for 2005, representatives of the Company and United Steelworkers of America and its Locals 12049 and 5541-06 (the "Union") discussed the process for employees to resolve disputes over claims or application of welfare and pension plan benefits.

With respect to any claim or dispute involving the application or interpretation of any employee welfare or pension plan, initially the employee and the Union will make a good faith effort to resolve those disputes in accordance with the terms and procedures set forth in the relevant plan document. Additionally, it is understood that, should the content of any communication relating to employee benefits conflict with the terms of the relevant plan document, the terms of the plan document shall govern. The plan documents will be modified to reflect changes agreed to during collective bargaining.

Disputes over any of the benefits provided in the Voluntary Benefits Program will not be subject to the grievance procedure.

Sincerely,


John E. Pooley
General Manager
Labor Relations

Cc: M. McAlpin
T. Caudill

A-73



LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

RE: Clothing Allowance

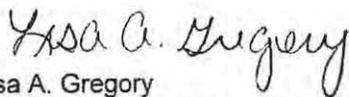
Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the clothing allowance for eligible employees in Gas Operations and the Gas Measurement Center.

The Company agreed that effective January 1, 2012 and for the remainder of the 2011 – 2016 Contract, those employees not eligible for the Power Delivery "FR" clothing allowance, will be eligible to receive an annual clothing allowance of \$275.00.

It is the Company's expectation that this clothing allowance will provide employees with Duke Energy identified clothing to be worn daily on the job. Employees must continue to be in compliance with established appearance guidelines and dress policies.

Very truly yours,


Lisa A. Gregory
Director, Labor Relations

A-75

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

April 4, 2005

Mr. Mike McAlpin
President
Local Union 12049
United Steelworkers of America
Monfort Heights Headquarters



Mr. Tim Caudill
President
Local Union 5541-06
United Steelworkers of America
Todhunter Headquarters

Re: Post-Retirement Medical Benefits

Dear Mr. Gentlemen:

During the benefits opener discussion in 2005, representatives of the Company and the United Steelworkers of America and the Locals 12049 and 5541-06 ("the Union") discussed post-retirement healthcare benefits, including providing the Union members a post-retirement health reimbursement account ("HRA") option (the "HRA Option"). As a result of these discussions the parties agreed to the post-retirement Healthcare benefits set forth below.

I. OVERVIEW OF HRA OPTION

All current, full-time employees represented by USWA, Local 12049 and Local 5541-06 will be able to make a one-time choice during one of two windows between continuing in the current traditional post-retirement medical option (the "Traditional Option") or electing to participate in the new HRA Option described below. Employees will be required to make this election by a specified election date in 2005 or 2006. (Notwithstanding the foregoing, employees currently receiving long-term disability benefits or on a military leave of absence, will make this election when they return to active, full-time status. If they do not return to active, full-time status, they will default to the Traditional Option.) All employees hired or rehired on or after January 1, 2006 will participate in the HRA Option. Each employee who elects to participate in the HRA Option, and each employee hired on or after January 1, 2006, will be referred to as a "HRA Participant" herein.

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

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

The benefit under the HRA Option is based on a bookkeeping account that can grow like a savings account with service and interest credits as described below. An employee who elects the HRA Option will start with an opening balance that is equal to 1/12th of \$1,000 for each prior calendar month in which the HRA Participant worked at least one day for the Company. In the future, the Company will credit eligible HRA Participants with an additional 1/12th of \$1,000 for each calendar month in which the HRA Participant works at least one day for the Company. The Company will also credit each eligible HRA Participant's bookkeeping account with an annual interest credit. Interest will be credited at the same interest rate as the cash balance updates as determined in August of each year, except that for the term of the current labor agreement, the interest rate will not be less than 3.5%; for 2005, the rate is 5.06%. Except as discussed below, only HRA Participants who are active, full-time employees and work at least one day in the month are eligible for the monthly service credit. Like retirees in the Traditional Option, HRA Participants will have access to group medical coverage only if they retire after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), however, there will be no subsidy. Please note the following regarding the HRA Option:

- a. If a HRA Participant retires after attaining age 50 with five (5) years of Service (as defined in the applicable Pension Plan), the amounts credited to the HRAs generally can be used for the qualified medical expenses, as defined in Section 213(d) of the Internal Revenue Code, of the retiree and the retiree's spouse and eligible dependents. See IRS publication 502 (Attachment B) for examples of qualified medical expenses. To the extent permitted by applicable law and as is otherwise practicable, the HRA option is intended to provide a tax-free benefit. Due to future law changes, however, there can be no assurance of favorable tax treatment.
- b. Except as provided below, if the employment of a HRA Participant terminates prior to attaining age 50 with five (5) years of Service (as defined under the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- c. If a HRA Participant dies while actively employed prior to attaining age 50 with five (5) years of service (as defined in the applicable Pension Plan), the HRA Participant forfeits all amounts credited to the HRA Account.
- d. If a HRA Participant dies while actively employed after attaining age 50 with five (5) years of Service, his/her spouse and eligible dependents will be entitled to use amounts credited to the HRA to pay qualified medical expenses immediately.

Page 3

- e. In the event of disability or leave, the Company will continue monthly service credits for the first 12 months. The Company will continue interest credits while the HRA Participant is disabled or on leave (and prior to recovery or retirement). For HRA Participants on a military leave, service credits and interest credits will continue for the full qualified leave period.
- f. If the employment of a HRA Participant is involuntarily terminated in connection with an involuntary reduction in force and such termination is in no way related to performance deficiencies, the HRA Participant will be eligible to maintain his/her HRA balance as of termination. The HRA Participant will be able to use amounts held in his/her HRA Account immediately following the termination.
- g. For the term of the current Collective Bargaining Agreement, the Company will agree not to amend, modify or terminate retiree health care benefits for any active employees covered by the CBA. Amounts credited to a HRA Participant's account will not be reduced by amendment, except to the extent necessary or appropriate to comply with changes in the law.

II. QUESTIONS

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

1. **Will the Company offer choice to all USWA employees?**
A: Yes. The Company will allow all current, full-time employees to elect to stay in the Traditional Option or switch to the HRA Option. After January 1, 2006, new hires and rehires will automatically participate in the HRA Option.
2. **Will an employee be able to elect the HRA Option upon retirement?**
A: No. Employees will be able to make a one-time election in 2005 or 2006. Current employees will have one affirmative choice during one of two open windows, the first in 2005 with the choice to be effective 1/1/06 or one in 2006 to be effective 1/1/07.
3. **Can a HRA Participant withdraw amounts credited to his/her HRA account in cash upon retirement? Can the Company pay the amount out in a lump sum?**
A: Money may be withdrawn from the HRA account only for paying qualified medical expenses. The account will not be paid out in cash. Favorable tax treatment is available for a HRA only if the HRA reimburses medical expenses as defined in Section 213(d) of the Internal Revenue Code. As stated below from IRS Notice 2002-45, any right to receive cash will disqualify the HRA from receiving favorable tax treatment.

"An HRA does not qualify for the exclusion under § 105(b) if any person has the right to receive cash or any other taxable or non-taxable benefit under the arrangement other than the reimbursement of medical care expenses. If any person has such a right under an arrangement currently or for any future year, all distributions to all persons made from the arrangement in the current tax year are included in gross income, even amounts paid to reimburse medical care expenses. For example, if an arrangement pays a death benefit without regard to medical care expenses, no amounts paid under the arrangement to any person are reimbursements for medical care expenses excluded under § 105(b)... Arrangements formally outside the HRA that provide for the adjustment of an employee's compensation or an employee's receipt of any other benefit will be considered in determining whether the arrangement is an HRA and whether the benefits are eligible for the exclusions under §§ 106 and 105(b). If, for example, in the year an employee retires, the employee receives a bonus and the amount of the bonus is related to that employee's maximum reimbursement amount remaining in an HRA at the time of retirement, no amounts paid under the arrangement are reimbursements for medical care expenses for purposes of § 105(b)..."

4. **What happens to the HRA balance upon disability or extended leave from the Company?**
A: See Section I(e).
5. **What happens to the HRA balance in the event of a termination of employment?**
A: See Section I.
6. **What happens to the HRA balance if I die while actively employed?**
A: See Sections I(c) and I(d). Currently, the spouse and eligible dependents of an employee who dies while actively employed with Cinergy can elect to become covered under the non-union medical plan and receive subsidized coverage at the active employee rate until death or a disqualifying event (for the spouse, this would include, but not be limited to, remarrying or becoming Medicare eligible; for an eligible dependent, it would include, but not be limited to, ceasing to qualify as an eligible dependent due to age).
7. **Will the Company contributions be indexed in future years (e.g., indexed to the trend line for health care costs)?**

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

8. **Will the opening HRA balances be calculated with retroactive interest crediting?**

A: No. Making retroactive interest credits would be cost prohibitive from the Company's perspective.

9. **What are other companies doing with regards to post-retirement healthcare?**

A: See Hewitt survey (Attachment C) (51% of survey respondents have a unionized workforce).

10. **How can HRA Participants use amounts credited to the HRA?**

A: Money credited to a HRA can be used to reimburse the HRA Participant for medical expenses as defined in Section 213(d) of the Internal Revenue Code. See IRS publication 502 for examples of qualified medical expenses.

11. **Who will administer the HRA account balances?**

A: Hewitt Associates will track the HRA credits while HRA Participants are actively employed. The Company is reviewing proposals from third party administrators for post-retirement administration, but this will likely be Hewitt Associates.

12. **Will the HRAs be protected/guaranteed?**

A: The benefit under the HRA option is based on a bookkeeping account and is not funded like a 401(k) plan. See Section I regarding the Company's ability to amend.

13. **If the Company decides to eliminate the Traditional Option at a later date, would employees be allowed to get in the HRA?**

A: The Company periodically evaluates its benefit programs and would determine the appropriate course of action at that time.

14. **Would interest on the HRA account continue to accrue after an employee retires?**

A: See Section I.

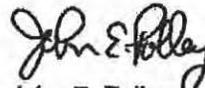
Page 6

15. **If two Cinergy employees are married, can they make different elections with respect to the HRA Option?**

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

Please note that the explanation set forth above merely summarizes the basic elements of the HRA Option. The Company has fully documented the Health Reimbursement Account Program in the "Cinergy Corp. Post-Retirement Health Reimbursement Account Program" which governs the terms of the Plan as adopted by the Company.

Very truly yours,



John E. Polley
General Manager
Labor Relations

cc: T. Verhagen
P. Gibson
K. Feld
C. Riggs

Attachment A
Summary of Post-Retirement Health Care Options

Current Post-Retirement Health Care Option

Employees hired before January 1, 2006, who elect the subsidy option and who retire from the company on or after age 50 with at least five years of service, may be entitled to a post-retirement health care subsidy from the company dependent on their years of service at retirement.

Subsidy Schedule:

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



LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 & 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

RE: Special Union Wide Lump Sum Opportunity

Dear Gentlemen:

During the 2011 contract negotiations, the parties discussed a special union wide lump sum opportunity. It was agreed that employees will be eligible for a 0.5% lump sum bonus based on achieving the Accelerated Main Replacement Program (AMRP) expenditure target established each year by the Company for 2012, 2013, and 2014, with the payout to be issued in the following calendar year.

The opportunity for this payout begins in 2013 for 2012 calendar year performance, continues in 2014 for 2013 calendar year performance, and concludes in 2015 for 2014 calendar year performance. The Company will determine any appropriate payout for each year. The payout amount will be calculated based on all straight time and overtime earnings for the applicable year, and will be paid as a lump sum, less applicable taxes.

Very truly yours,

A handwritten signature in cursive script that reads 'Lisa A. Gregory'.

Lisa A. Gregory
Director, Labor Relations

A-77



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

June 3, 2011

Mr. Ronnie Wardrup
Staff Representative
United Steelworkers
Local Nos. 12049 and 5541-06
13 Triangle Park Drive
Building 13, Suite 1301
Cincinnati, Ohio 45246

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Health Care Security

Dear Gentlemen:

During the 2011 contract negotiations, representatives of the Company and the USW and its Locals 12049 and 5541-06 (the "Union") discussed the issue of health care security for bargaining unit employees.

As a result of those discussions, the Company understands the Union's concerns over health care uncertainty, particularly given recent health care reform legislation and the potential impact of the Company's planned merger with Progress Energy. In turn, it is hoped that the Union recognizes the high value that the Company places on safety, wellness, and the overall well-being of all employees. We are making investments in educating and engaging our employees in improving and managing their health. The Union should be assured that providing quality health care coverage options for all employees aligns with our health and wellness strategy and promotes safety in the workplace. In addition to its value to safety and wellness, health care coverage also adds great value to our recruitment and retention of high quality employees.

Assuming the merger is completed with Progress Energy later this year, the combined company is expected to have more than 25,000 employees across the country. As a Fortune 500 company and the soon-to-be largest investor-owned utility in the United States,

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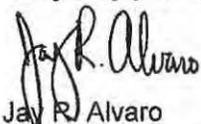
the Company takes its responsibilities to its employees and their families very seriously. Given the level of importance of health care to the Company's priorities and brand, the Company intends to ensure that employees have access to comprehensive healthcare coverage options now and in the future.

The Company also plans to continue its annual review of health care options to determine if any revisions are appropriate given our demographics, legislative and regulatory developments, and any changes in the marketplace. Any material changes determined by the Company will be planned to take effect on January 1 of a calendar year. The Company recognizes that it would be administratively burdensome to increase the frequency of such reviews, and the Company has no current plans to make material changes to health care coverage options or benefit levels that are effective other than on January 1 of a calendar year.

It is unlikely that the Company would feel compelled to completely discontinue offering company-sponsored health care coverage options under the current laws. Because the impact of the planned government-sponsored health care exchanges and other possible legal developments are unknown at this time, in the unlikely event that the Company's current intent changes regarding the discontinuation of all company-sponsored health care coverage, the Company will notify the Union in advance and bargain over the complete elimination of company-sponsored health care coverage, even though the company-sponsored coverage likely would be replaced by government-sponsored coverage or USW-sponsored coverage. In that event, if the Union believes that the USW-sponsored plans are more competitive or would offer greater benefits desired by the membership, the Company would be willing to negotiate with the Union over a potential move for USW members to the USW-sponsored plans. The Company also will notify the Union in advance in the unlikely event that the Company changes its current intent to make material changes to health care coverage options effective on a date other than January 1 of a calendar year so that the parties can discuss the issue and any concerns. Again, the Company views health care coverage as vital to the success of its business due to its impact on safety, wellness, recruitment, retention, our image and reputation, and the overall well-being of our employees and their families.

The Company understands the Union's concerns with respect to health care coverage for its members. This letter shall apply for the duration of the 2011- 2016 collective bargaining agreement between the Company and the Union. It is the intent of this letter to demonstrate the Company's willingness to consider and discuss those concerns.

Very truly yours,



Jay R. Alvaro
Vice President, Labor Relations



LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

June 3, 2011

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

Re: Disconnect Non-Pay Worker and
Bidding and Progression Rights

Dear Gentlemen:

During the 2011 – 2016 Contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the Union) discussed the progression opportunities for Disconnect Non-Pay (DNP) Workers resulting from the revised downbid and hiring processes. This letter replaces the bidding rights for DNP Workers noted in the "Disconnect Non-pay, Succession and Special Meter Reads Agreement" letter dated May 14, 2003.

Both the Company and Union agree to eliminate the direct bidding rights from the DNP Worker job classification to the Mechanic III job classification. However, the existing DNP Workers, as listed below, will have one final opportunity to exercise their direct bidding rights to the Mechanic III job classification before those rights are eliminated pursuant to this Letter. If a Mechanic III position is posted and any DNP Worker fails to bid or otherwise declines the opportunity, that person will forfeit their future direct bidding rights into the Mechanic III job classification pursuant to the terms of this Letter.

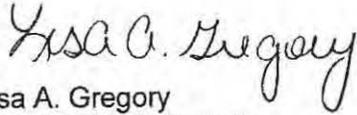
In addition, the existing DNP Workers listed below will voluntarily give up their direct bidding rights to the Mechanic III job classification if they promote to another position. New employees hired or transferred to the DNP Worker job classification after the date of this Letter will not have direct bidding rights from the DNP Worker to the Mechanic III classification.

The team of management and Union leaders is to be commended for their commitment to meeting the present day business needs in a competitive manner. It is expected that

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all parties will benefit by this plan enabling Gas Operations to achieve consistency and flexibility in managing the business needs.

Very truly yours,



Lisa A. Gregory
Director, Labor Relations

Current DNP Workers:

LOCAL 12049	
030413	Ward, Michael W
096039	Moore, Ryan C
274768	Danzinger, Joshua W
028402	Gorman, Craig Robert
031496	Wayman, Joshua A
274773	Face, Nathan K.
032448	Schultz, Anthony Scott
032603	Day, Enoch William
027860	Town, Timothy Michael
279025	Kennemore, Charles E
LOCAL 5541-06	
097375	McKenzie, Sean M
279056	Bezold, Curtis A

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

May 14, 2003

Mr. Tim Caudill
President
Local 5541-06
United Steelworkers of America
Todhunter Headquarters



• Mr. Mike McAlpin
President
Local 12049
United Steelworkers of America
Monfort Heights Headquarters

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

Dear Gentlemen:

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

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

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

The Company will form a new centrally managed work group for the specific purpose of performing the DNP fieldwork. The Company will initially staff the new DNP work group with 8 employees in a newly created entry-level job classification of DNP Worker (see attached job description) to be represented by the USWA. Five of those positions are to be represented by Local 12049 and three are to be represented by Local 5541-06. Also included in the new work group will be 10 existing employees represented by the UWUA

currently performing DNP work and eight employees in an entry-level job classification similar to the new USWA classification to be represented by the IBEW, Local 1347. For union representation purposes, if any of the aforementioned employees, including those represented by the UWUA, vacate their position and the Company decides to backfill the position(s), it will be filled as an entry level DNP Worker represented by the USWA or the referenced entry level job classification represented by the IBEW, in an attempt to maintain the relative equality.

The new DNP Worker job classification will have a specially negotiated maximum wage rate of \$16.00 per hour, which will not be subject to negotiated increases. The Company will initially establish the minimum/hiring wage rate for that job at \$12.00 per hour, but reserves its unilateral right to revise the minimum/hiring rate at any time. Employees in the DNP Worker job classification will be eligible for \$0.50 merit increases every six months, up to the maximum rate of the job.

In addition to other lower skilled work, both USWA and IBEW employees in the DNP work group will be responsible for reading and carrying out all DNP field credit work associated with residential gas meters and all types of single phase, self contained demand and non-demand electric meters. Those employees will also be expected to reconnect electric services on those meters in a limited capacity. What is intended for the reconnect activities of these employees in this work group is the ability to immediately restore electric service to customers they have just disconnected for non-payment, if the customer reconciles their disconnect status with the Company while that DNP Worker is still essentially at that location. All other reconnect work would continue to be performed by employees in the combination work force in Service Delivery.

The DNP Workers will have direct bidding rights to the Premise Mechanic job classification and will be considered for job openings in the Mechanic III job classification before a Job Available Notice is posted company wide for filling that job. Likewise, employees in the Mechanic III job classification will be considered for openings in the DNP Worker job classification prior to a Job Available Notice being posted company wide. In the event that a DNP Worker is selected for a Mechanic III position and their current hourly wage rate exceeds the maximum wage of the new position, their wage rate will be red circled until such time as the maximum wage rate of the new job classification is equal to or exceeds their red-circled rate.

In connection with this agreement, it was agreed that the negotiated downbidding opportunities into Service Delivery for all employees would be to the Premise Mechanic job classification. After implementation of the change in the downbid letter, it was agreed that the red circle opportunity would apply to one additional employee down bid, within each local, regardless of the employee's years of service, if the downbid occurs during the 2002-2007 Contract. All other provisions of that negotiated agreement would remain in effect. However, the Company agreed that, prior to this change, it would first fill 6 new Service Mechanic "B" job openings. It was also agreed that employees would not exceed 5 years in the Premise Mechanic job classification without an opportunity to promote to the Service Mechanic "B" job classification.

The Union was also assured that this agreement does not impact the 2:1 ratio between USWA and IBEW represented employees within the combination work force in Service Delivery.

Also in connection with the implementation of this business plan is the understanding that employees represented by the UWUA will primarily, but not exclusively, perform all succession and special meter reading duties.

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

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

For the Company:

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

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

For the Union:

Tim Caudill Date
President
Local 5541-06, USWA

Mike McAlpin 5-16-03
Mike McAlpin Date
President
Local 12049, USWA

Cc: J. O'Conner
J. Polley

The Union was also assured that this agreement does not impact the 2:1 ratio between USWA and IBEW represented employees within the combination work force in Service Delivery.

Also in connection with the implementation of this business plan is the understanding that employees represented by the UWUA will primarily, but not exclusively, perform all succession and special meter reading duties.

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

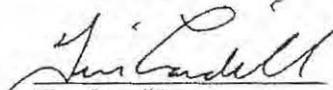
The team of management and union leaders is commended for their commitment to meeting the present day business needs in a competitive manner. It is expected that all parties will benefit by this plan for achieving this work with company employees. Please sign where indicated below to indicate the Union's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

For the Company:


Todd Arnold
V.P., Customer
Contact Services

5-14-03
Date

For the Union:


Tim Caudill
President
Local 5541-06, USWA

5-15-03
Date


Patricia K. Walker
V.P., Billing &
Metering Services

5/14/03
Date

Mike McAlpin
President
Local 12049, USWA

Date

Cc: J. O'Conner
J. Polley

(New – May 14, 2003)
(BILLING & METERING SERVICES
DEPARTMENT)

- 65831

CLASSIFICATION: DNP WORKER

A. DUTIES:

Under general directive supervision, handles customer credit problems for the service area by personal contact at the customer's residence. Enters and retrieves data using a computer; handles all customer credit problems in a warm, friendly, conscientious, tactful and firm manner to promote the highest possible degree of customer and Company satisfaction.

Occasionally in unsanitary or hazardous locations performs such duties as:

1. Performing routine work assignments in accordance with departmental instructions, procedures and standards in a manner, which properly safeguards the public, employees, and property of others and the Company.
2. Disconnecting and reconnecting for non-pay orders all types of single phase, self-contained demand and non-demand electric meters.
3. Disconnecting gas meters for non-payment.
4. Accurately reading gas and electric meters.
5. Receiving payments such as deposits, reconnection charges, outstanding bills, and field connection charges on the residential customer's premise. Accounting for such payments, preparing bank deposit slips and providing customer receipts.
6. Being responsible for and using customer keys on all types of residential disconnect orders; including entering all single-family residences alone.
7. Performing work in the Measurement Center of the lesser skilled type, such as handling, stripping, disassembling, and cleaning meters and regulators.
8. Fabricating residential meter and regulator assemblies, up to and including 425 meters.
9. Locating, cleaning, raising, lowering, replacing lid, or other parts of curb box; verifying service stopcock for accessibility.
10. Preparing records, such as daily time reports.
11. Instructing other employees in this or less skilled classifications to properly and safely perform their duties.
12. Performing other similar or less skilled work, as assigned.

B. QUALIFICATIONS:

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

1. Must meet the required pre-employment test standards for this job classification.

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DEPARTMENT)

65831

CLASSIFICATION: DNP WORKER

B. QUALIFICATIONS: (continued)

2. Must demonstrate the ability to perform the duties of this job through the medium of tests designed for measuring individual qualifications.
3. Must have a valid driver's license, be capable of driving pick-up trucks, utility vans and passenger vehicles and pass the Company's driver examination.
4. Must be able to write and print legibly.
5. Must be willing to participate in Company training programs.
6. Must be able to read street maps and travel to dispatched locations.
7. Must have the physical stature and stamina to operate power driven hand tools; excavate and shovel earth, backfill materials, etc.; lift heavy construction objects, etc.
8. Must be capable of lifting, erecting and working from a 24-foot extension ladder.
9. Must have a keen sense of smell and adequate hearing.
10. Must possess tact and a suitable personality for customer contact.
11. Must be capable of utilizing a telephone and mobile radio.
12. Must be capable of correctly and accurately using measuring devices, such as: tape lines, rulers, pipe calipers, etc.
13. Must be capable of utilizing and evaluating results from electronic equipment.
14. Must be capable and willing to render first aid, artificial resuscitation, etc.
15. Must be capable and willing to wear and use protective clothing and equipment.



June 3, 2011

Mr. Steve Bowermaster
President
Local 5541-06
United Steelworkers
Todhunter Headquarters

Mr. Mike McAlpin
President
Local 12049
United Steelworkers
Monfort Heights Headquarters

LISA A GREGORY
Director Labor Relations

Duke Energy
EMM80 / 139 East Fourth St.
Cincinnati, OH 45202

513-287-3934

Re: Gas Operations Promotional Sequences and New Position

Dear Gentlemen:

During the 2011 – 2016 Contract negotiations, representatives of the Company and United Steelworkers and its Locals 12049 and 5541-06 (the Union) discussed revisions to progression sequences with Gas Operations and Service Delivery, and the creation of a new entry level job classification. As a result of these discussions, the revised "Gas Operations Promotional Chart" ("Chart") is attached.

Under the new Chart, the Mechanic III entry level position will have direct bidding rights to three different lines of progression: Meter Specialist III (Local 12049 only), Gas Systems Operations Mechanic III, and/or Gas Plant Operator III. Mechanic III's may apply for other positions in the Company, but shall not have direct bidding rights to any position other than as set forth in this letter.

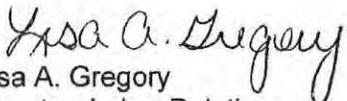
Similarly, DNP Workers will have direct bidding rights to the Premise Mechanic progression or the Meter Specialist III progression (Local 12049 only). In the event that the Company is unable to fill Premise Mechanic or Meter Specialist III positions with DNP Workers, the Company reserves the right to fill those positions as entry level positions. DNP Workers may bid on other positions in the Company, but will not have direct bidding rights to any other position other than as set forth in this Letter.

For the Mechanic Operator III progression, the Company will create a new entry level position called "Apprentice Mechanic Operator III (AMO3)". The Company and the Union will negotiate a special wage rate for the newly created AMO3 position. In the event agreement cannot be reached, the AMO3 will be evaluated pursuant to Article V, Section 1, (h)-(m) of the Contract. The newly created AMO3 position will have direct bidding rights to the Mechanic Operator III progression exclusively.

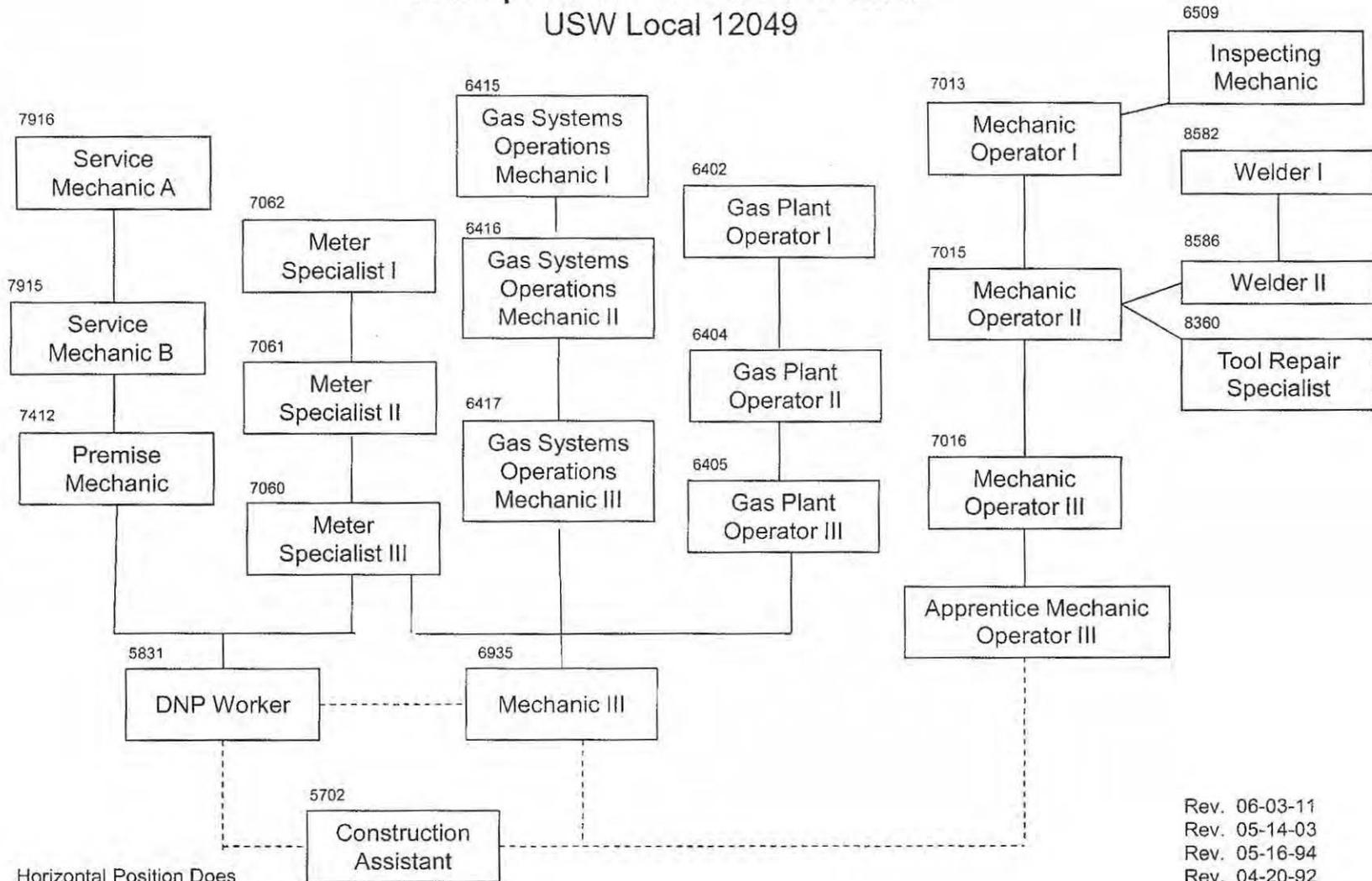
A-80

The parties recognize and acknowledge that the former positions for Mechanic (6931) Senior Mechanic (7890) and Station Operator (2030) are no longer in use and therefore eliminated from the Chart.

Very truly yours,


Lisa A. Gregory
Director, Labor Relations

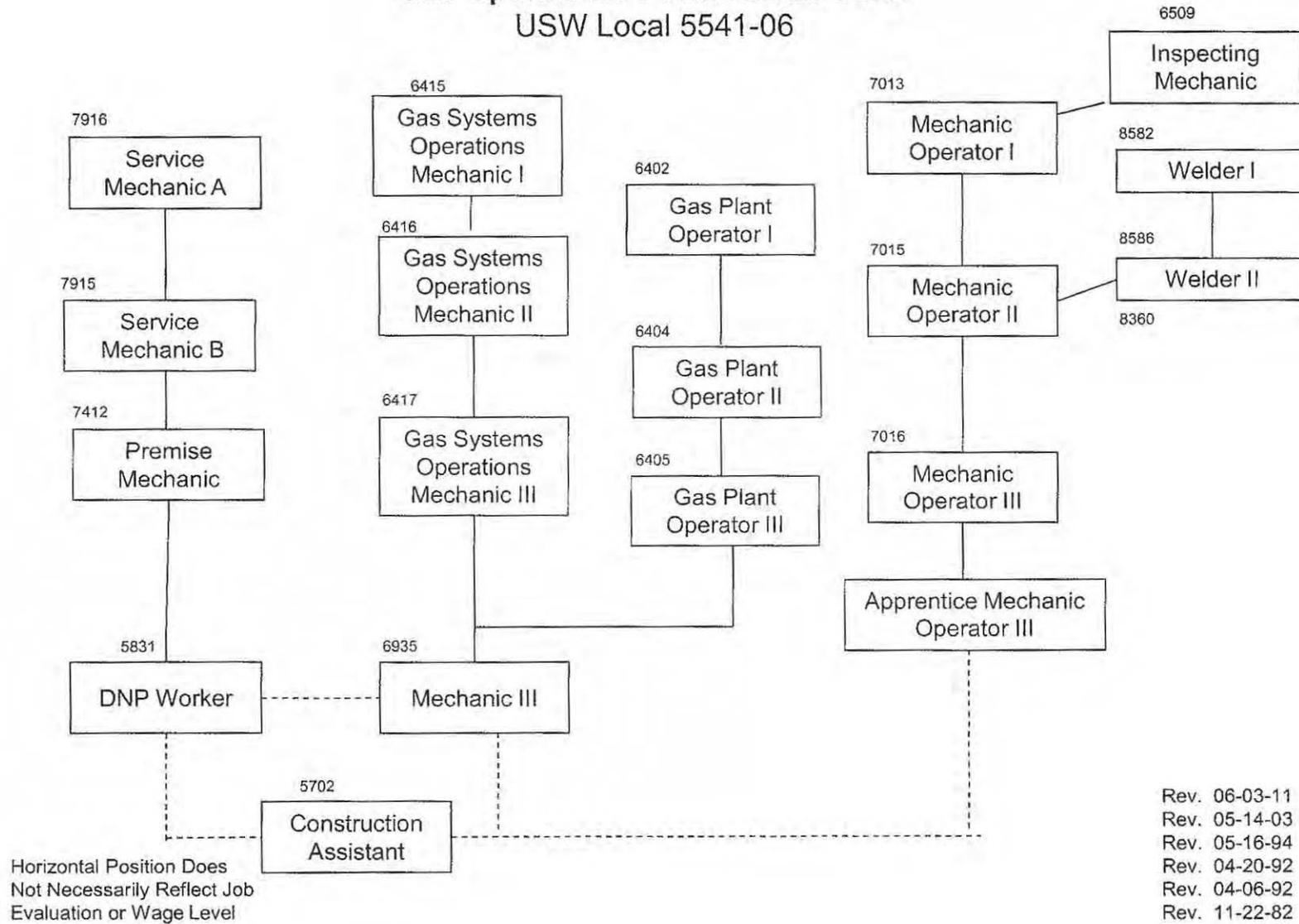
Gas Operations Promotional Chart USW Local 12049



Horizontal Position Does
Not Necessarily Reflect Job
Evaluation or Wage Level

Rev. 06-03-11
Rev. 05-14-03
Rev. 05-16-94
Rev. 04-20-92
Rev. 04-06-92
Rev. 11-22-82
Rev. 05-22-82

Gas Operations Promotional Chart USW Local 5541-06



Rev. 06-03-11
 Rev. 05-14-03
 Rev. 05-16-94
 Rev. 04-20-92
 Rev. 04-06-92
 Rev. 11-22-82
 Rev. 05-22-82

Schedule Replacement Guidelines

(Applies to USW Local 12049)

When a temporary vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

The person selected to fill the vacancy will be determined by counting over five on the appropriate crew leader or helper schedule list.

Upon return, the individual will fulfill the next schedule of the affected member at their option, barring any extenuating circumstances.

Members electing to trade schedules shall be held responsible for the schedule after the proper paperwork is completed.

(Applies to USW Local 5541-06)

When a temporary vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

A Crew Leader vacancy is to be filled with the junior qualified Mechanic Operator I regardless of placement on schedule listing.

A Helper vacancy is to be filled with the junior qualified Helper regardless of placement on schedule listing.

The person causing the vacancy in the shift will be required to work the shift of the person assigned to their shift.

(Applies to USW Local 12049 and 5541-06)

When a permanent vacancy occurs in the schedule, the following replacement procedure will be used to fill the vacancy.

A Crew Leader vacancy is to be filled with the junior qualified Mechanic Operator I regardless of placement on schedule listing.

A Helper vacancy is to be filled with the junior qualified Helper regardless of placement on schedule listing.

In the event a vacancy cannot be filled by the process described above, the Union and the Company will meet to discuss and resolve.

Home Site Reporting Guidelines

(Field Operations, Gas Measurement Center, Contractor Construction, Corrosion, System Operations and Gas Production)

Company Vehicles:

Vehicles can be parked at the employee's residence or at a location close to the residence agreed upon by management.

(Example: Headquarters closer to the residence than reporting headquarters)

Reporting Time:

When reporting within the area of the assigned headquarters, start time is on the job site at the start of the shift.

When reporting outside of the area of the assigned headquarters, start time is on the job site no longer than 30 minutes after the start of the shift.

Quitting Time:

When quitting from the job site within the area of the assigned headquarters, it is permissible to leave the site no earlier than 15 minutes prior to the end of the shift.

When quitting from the job site outside the area of the assigned headquarters, it is permissible to leave the site no earlier than 30 minutes prior to the end of the shift.

Meetings:

For training, Company meetings and/or inclement weather, employees shall report to the headquarters directed by the Supervisor at the start of the shift.

When on Vacation or other leave:

The vehicle shall be left at the regular parking location or brought to the headquarters as determined by the Company. The assigned driver shall notify the Supervisor and provide access to the vehicle. The assigned driver shall also arrange with the Supervisor when he/she will pick up the vehicle upon or prior to returning to duty.

When on Schedule:

The vehicle shall be left at the regular parking location or brought to the headquarters as determined by the Company.

AGREEMENT

Between the

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

and

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

2012-2015