

Agreement

between

Duke Energy Ohio, Inc.

and

Duke Energy Kentucky, Inc.

and

Local Union 1347

International Brotherhood
of Electrical Workers

Affiliated with
AFL-CIO

2014-2017

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APPENDIX A

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MEMORANDUM OF AGREEMENT

This Agreement is made and entered into by and between Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc., hereinafter referred to as the "Company," and Local Union 1347 of The International Brotherhood of Electrical Workers, AFL-CIO, referred to hereinafter as the "Union."

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

ARTICLE I

Section 1. (a) The Company recognizes the Union, during the term of this Agreement, as the sole and exclusive representative of the employees in the bargaining unit defined as "The Electrical Workers Unit" by the National Labor Relations Board in its Decision and Direction of Election dated August 12, 1944, for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment. A-22

(b) All new employees shall be classified as probationary employees for a period of one (1) year. Employees with six months or more of continuous service are eligible to receive supplemental industrial accident compensation, supplemental jury duty pay and will be entitled to bidding rights to other job classifications. Further, probationary employees shall have no recourse to the grievance procedure as set forth in Article II, Section 1 for the first six (6) months of the probationary period. However, after serving six (6) months of the probationary period, probationary employees will have recourse to the grievance procedure for any non-discipline related grievances.

Section 2. (a) This Agreement and the provisions thereof shall take effect on April 1, 2014 and shall be binding on the respective parties hereto until April 1, 2017 and from year to year thereafter unless changed by the parties.

(b) Either of the parties hereto desiring to change any section or sections of this Agreement and/or to terminate this Agreement shall notify the other party in writing of that intention at least sixty (60) days prior to April 1, 2017 or any subsequent anniversary date. If neither party gives such notice the Agreement shall continue from year to year. If such notice is given by either party the Agreement shall be open for consideration of the change or changes desired. Within fifteen (15) days from the date the first notice of intention to change is given by either party to the other, but not later than thirty (30) days prior to April 1, 2017 conferences shall commence for the purpose of considering the proposed changes. At the first such conference, each party will submit its proposed changes, in writing, to the other party.

(c) In case of failure to reach an agreement on the changes desired by either or both parties, within a period of thirty (30) days following commencement of conferences, but in no event later than the renewal date of this Agreement, the changes shall be referred to arbitration as

provided for in Article II, Section 2 hereof. Either party desiring to avail itself of arbitration in this case shall notify the other party in writing of its desire to arbitrate and at the same time name its arbitrator. The parties mutually agree that there shall be no strikes, work stoppages, slowdowns or lockouts pending the decision of the arbitrators. The provisions of this paragraph shall not apply in the event either party gives written notice to the other party at least sixty (60) days prior to April 1, 2017, of its desire to terminate the Agreement on April 1, 2017, if there remains at that time issues which the parties are unable to resolve.

(d) In the event agreement is reached on or before March 31, the 2014 - 2017 Agreement will be extended for a mutually agreed number of calendar days. The Union shall have one-half of the mutually agreed number of calendar days immediately following the date an agreement is reached in which to submit the Agreement to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the mutually agreed number of calendar days as notice before a strike or work stoppage commences. Providing the mutually satisfactory Agreement is ratified by the membership within the first one-half of the mutually agreed number of days following the date an agreement is reached, such Agreement will be made retroactive to the 31st day of March.

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

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

Section 4. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Agreement pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon and in consideration thereof, as long as this Agreement and conditions herein be kept and performed by the Company, the Union agrees that under no conditions and in no event, whatsoever, will the employees covered by this Agreement, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Agreement. The Company agrees on its part to do nothing to provoke interruptions of or prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property and that any difference that may arise between the above-mentioned parties shall be settled in the manner herein provided.

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

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

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

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

(c) Foremen's duties shall be restricted to direct supervision except in cases of emergency, for such incidental work as may occasionally be required or as may be otherwise outlined in the Departmental Work Rules.

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

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

(a) All regular employees of the Company as of the ratification of this Agreement, who are not members of the Union shall not be required as a condition of their continued employment to join the Union. However, after April 1, 2014, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, and who are not more than six months in the arrears with dues, or who may become members of the Union, shall be required as a condition of their continued employment to maintain their membership in the Union in good standing, subject to the annual ten day escape period hereinafter described.

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

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

(d) Within thirty-one (31) days after the date of hire, all employees who are not members of the Union, except those employees mentioned in subsection (i) of this section, shall be required as a condition of continued employment to pay to the Union each month a service charge as a contribution toward the administration of this Agreement in an amount equal to the monthly dues

uniformly required by the Union Members. Such contributions shall be checked off upon proper written authority executed by the employee and remitted to the Union in the same manner as the dues of members.

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 11. Employees shall not be required to cross a picket line except to perform work which is necessary to provide the normal services of the Company. A supervisor shall make the necessary arrangements with the picketing Union involved for the employee to cross the picket line. Whenever possible, the supervisor will attempt to have the employee enter the property through a non-picketed entrance.

ARTICLE II

Section 1. GRIEVANCE PROCEDURE. (a) Any dispute or disagreement arising between an employee and the Company, or the Union and the Company may become the subject of a grievance. However, with respect to any claim or dispute involving the application or interpretation of an employee health, welfare or pension (including defined benefit, defined contribution and 401(k) plans) 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 and applicable laws. Additionally, 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 time limit for filing a grievance will be suspended as long as the Employee and the Union are pursuing the appeal processes in the benefit plans. A-17

Realizing the importance of avoiding delays in rendering decisions regarding grievances, the following procedure shall be followed. If after consultation between an employee covered by this Agreement and his or her immediate supervisor, the employee still feels that there is a grievance arising out of this Agreement, the avenue of adjustment for grievances shall be as follows:

First Step

An employee or the Union must file any grievance, involving wages, hours of work, conditions of employment, or of any nature arising out of this Agreement with the employee's supervisor. The grievance shall first be taken up with the supervisor involved, within 30 days of its occurrence or 30 days from the time the employee or the Union became aware of the occurrence. The initial meeting shall be held between the supervisor and other management, the employee involved and the officially designated steward. Grievances in this step shall be answered verbally at the meeting or within 5 days of the conclusion of the meeting. The supervisor will also inform the Union of the appropriate management person to notify in the event that the Union wishes to pursue the grievance to the second step.

Second Step

If the parties are unable to resolve the grievance following the first step, within 10 work days of the first step response, the Union may submit a written grievance to the management of the department designated in the first step. Department management will schedule a meeting with a small committee representing the Union within 20 workdays after receipt of the written grievance. The department management will render a written decision within 30 workdays after the date of the meeting.

Third Step

If the parties are unable to resolve the grievance following the second step, within 30 workdays of the second step response, the Union may notify the Labor Relations Department in writing of its desire to advance the grievance to the third step of the grievance procedure. The Labor Relations Department will schedule a meeting with the appropriate management representatives and a small committee representing the Union within 20 workdays after receipt of the written request. The Labor Relations Department will render a written decision within 30 workdays of the date of the third step meeting.

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

Employees engaged in the above grievance procedure during their working hours shall not suffer a loss of straight-time pay for that time.

Section 2. ARBITRATION PROCEDURE. (a) If the parties are unable to resolve the grievance following the third step, the Union, within 30 workdays of receipt of the third-step response, may notify the General Manager, Labor Relations in writing of its desire to advance the grievance to arbitration.

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

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

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

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

(f) Any grievance that is not taken to the next step within the time limits specified will be deemed to have been withdrawn and shall not set a binding precedent for any pending or future grievances. If at any step in the grievance procedure, the Company does not answer within the designated time frame, the Union may notify the Company of its desire to advance the grievance to the next step of the grievance procedure. Any time limits may be extended by written agreement between the parties.

(g) The arbitrator shall have no authority to add to, detract from, alter, amend, or modify any provision of this Agreement. It is also mutually agreed that there shall be no work stoppage or lockouts pending the decision of the arbitrator or subsequent thereto.

ARTICLE III

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

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

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

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

- | | |
|---|---|
| (1) East Bend Station | - Regulated Coal Fleet |
| (2) Miami Fort Station | - Midwest Commercial Generation |
| (3) Combustion Turbines (Beckjord, Miami Fort and Dick's Creek) | - Midwest Commercial Generation |
| (4) Wm. H. Zimmer Station | - Midwest Commercial Generation |
| (5) Woodsdale Station | - Regulated Coal Fleet |
| (6) Operators | - Midwest Field Operations |
| (7) Substation | - Midwest Field Operations |
| (8) Test & Relay | - Midwest Field Operations |
| (9) Electric Trouble | - Midwest Field Operations |
| (10) Electric Meter | - Midwest Field Operations |
| (11) Overhead Transmission and Distribution, Construction | - Midwest Field Operations |
| (12) Underground Cable and Equipment | - Midwest Field Operations |
| (13) Service Division | - Midwest Field Operations |
| (14) Power Delivery Warehouses | - Midwest Operations |
| (15) Generation Supply Chain | - Midwest Warehouse Operations |
| (16) Fleet Services | - Enterprise Fleet and Meter Operations |

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

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

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

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

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

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

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

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

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

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

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

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

Section 6. (a) In making promotions within the bargaining unit classified seniority, ability and qualifications shall be taken into consideration. Ability and qualifications being sufficient seniority shall prevail. Any employee promoted to a supervisory job outside the bargaining unit shall retain, for a period of nine months, all classified seniority accumulated up to the date of the promotion. Such seniority may be exercised, through the established bidding procedures, within the bargaining unit, should such job be jeopardized because of lack of work or any other reason except for dismissal for cause. If an employee, who was a supervisor for more than nine months, returns to the bargaining unit, he will receive a classified seniority date behind all incumbent employees in the job classification from which he originally promoted. No supervisor may return to a bargaining unit job classification, if it would result in the layoff or prevent the recall from layoff, of an employee represented by the Union. A-18

(b) In the event of a layoff or work force reduction, layoffs, demotions, and transfers shall be made on the basis of classified seniority within a promotional sequence in a department. An employee shall have the right to be returned to any starting level job classification previously held by him in the course of his employment with the Company if his seniority is sufficient to qualify him for such job and an opening or job vacancy exists. An employee does not recoup any classified seniority in those job classifications higher than the one to which he is assigned, despite the fact he may have previously worked in the higher job classifications, until he is permanently promoted to the higher job classification through the established posting procedure. For purposes of this paragraph, if an employee has not worked in a lower classification in his promotional sequence, he will be credited with classified seniority in each such lower job classification for all time worked in a job classification at the same or higher wage level within his promotional sequence. An employee, however, shall not have the right to be demoted or transferred to any classification in another promotional sequence which he has not previously held, except as provided in Article III, Section 7(f). Under no circumstances will an employee be permitted to arbitrarily select a job where no vacancy or job opening exists.

(c) Except for temporary or probationary employees, the Company shall give not less than a 28 calendar day advance notice to the Union of any general reduction in forces.

(d) When increasing forces the Company agrees to recall employees previously laid off for lack of work. When recalling occurs it shall be done on the basis of classified seniority and no new employee shall be hired in that promotional sequence until all regular employees in that promotional sequence who have been laid off within three (3) years have been recalled or rehired, provided that such former regular employees are available for work and are qualified to perform the job. Such former employees shall make satisfactory arrangements for reporting to work in accordance with Article III, Section 5(h) (3) after notification through the United States Mail, or by telegraph, addressed to the address last given to the Company by the employee. A copy of such notice shall be given to the Business Manager at the time the notice is sent to the employee. Failure of the employee so notified to report to work or to supply a reason satisfactory to the Company for not doing so, within the time limit herein, shall be considered a waiver of re-employment rights by the employee. Employees who are on a layoff status from the Company shall be considered for hire, before other applicants, on the basis of all of their Division Seniority, into bargaining unit job classifications for which they do not have a recall right for a period of three (3) years.

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

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

(b) Subject to the approval of the Company and the Union any employee may waive his right to promotion or temporary advancement either within or outside the bargaining unit if such waiver does not prevent other employees from acquiring experience in the job held by him. Such waiver must be submitted to the Company and the Union in writing at least seven (7) days in advance. A request for withdrawal of such a waiver must be submitted in writing.

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

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

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

(f) Any Union employee who may make application to the Company for transfer to a starting job represented by the Union for which the employee may be equally suitable to other candidates as determined by the Company, will be given preference before an employee transferring from outside the Union or a new employee is hired for the job. Anyone transferring as provided herein shall not receive a reduction in rate unless the employee's rate of pay exceeds the maximum rate of the job to which the employee is transferred. In such case the employee's rate shall be reduced to the maximum rate of that job. For the first six (6) months after an employee transfers from outside the Union, the employee may be discharged without recourse to the grievance procedure of this Agreement.

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

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

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

(h) All new employees and all employees transferring from other bargaining units into a job classification represented by the Union shall be classified as probationary employees for a period of one (1) year and shall have no system service and seniority rights during that period. After one (1) year continuous service as a probationary employee, such employees shall be classified as regular employees and their system service and seniority record shall include their previous employment as probationary employees and any other previous employment to which they are entitled. The Company shall have the right to lay off or discharge probationary employees for cause and there shall be no responsibility for re-employment of such employees after they are discharged or laid off during the probationary period.

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

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

ARTICLE IV

A-41 Section 1. VACATIONS. (a) Vacations for hourly rated employees will be granted with pay during the calendar year in which they complete the specified number of years of service on the following basis:

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

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

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

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

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

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

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

(c) An employee accrues entitlement to 1/12 of their current year's vacation for each month the employee is employed during the current calendar year or is on STD, or leave of absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year, except that the maximum vacation payout for unused vacation, including vacation bank, cannot exceed 22 weeks of straight-time pay. Active employees may use current year vacation at any time during the year as approved by supervision.

(d) In order for an employee to qualify for a vacation, the employee must have been on the Company payroll as a full-time regular or probationary employee on the last day in the calendar year previous to the vacation, and must have been available whenever necessary for the Company medical examinations and reports.

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

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Vacations must be selected for full weeks. However, an employee entitled to two or more weeks of vacation in a calendar year may arrange to take five days of that vacation in one-day increments. Requests for these days must be made at least five calendar days prior to the date requested and must be approved by supervision. However, because of extenuating circumstances, a day off with less than a five calendar day notification may be approved by an employee's supervisor. An employee entitled to five or more weeks of vacation in a calendar year may arrange to take ten days of that vacation in one-day increments. However, because of extenuating circumstances a day off may be taken with less than the five calendar day notification with approval by supervision. Requests for at least five of these ten days must be made five or more calendar days prior to the date requested and must be approved by supervision. The Company reserves the right to limit the number of employees who can be off on a specific day and may, but cannot be required to, grant a one day increment on a work day preceding or following a holiday or other vacation. Such one-day increments must be utilized before an employee's scheduled vacation in a particular year is exhausted.

(f) The estate of an employee who dies shall receive all current year vacation pay earned in accordance with Article IV, Section 1(a).

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

(h) Employees returning from military service in a subsequent calendar year will receive all vacation pay they have earned in accordance with Article IV, Section 1(a).

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

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

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

(j) An employee required by the Company to work during his normal vacation period shall be paid at his regular rate for all such time worked as provided in this Agreement and in addition shall receive such pay as he would normally have received for the vacation period.

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

(k) Any employee who becomes legitimately ill immediately before his scheduled vacation shall not be required to take his vacation during such an illness. If, however, an employee becomes ill after his vacation period has begun he shall not be entitled to sick pay during his vacation period. All vacations will be taken within the calendar year that they become due, except for vacation the employee or the Company deposits in the employee's retirement vacation bank or unused vacation time that an employee carries over. An employee may carryover unused vacation hours from one calendar year to the next not to exceed eighty (80) hours. Vacation bank time and unused vacation carry-over time will be paid to the employee upon termination of employment.

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An employee's vacation will start when the employee is released from duty on his last regularly scheduled working day prior to the scheduled vacation, and shall end at the start of his first regularly scheduled working day following the scheduled vacation. However, prior to the beginning of his scheduled vacation, an employee may indicate, in writing to his supervisor, that he desires to be considered for work on what would have been normal off days at the beginning or end of his scheduled vacation.

Section 2. (a) An employee who has completed six months of continuous service shall be entitled to four compensated personal days off each calendar year. Requests for personal days must be made at least four calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a four

calendar day notification may be approved by an employee's supervisor. Arrangements for all personal days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal day is not used during a year, it shall be lost and no additional compensation shall be granted.

(b) An employee who has completed six months of continuous service shall be entitled to one compensated Diversity Day off each calendar year. Requests for this day must be made at least four calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, less than a four-calendar day notification may be approved by an employee's supervisor. The Company reserves the right to limit the number of employees who can be off on a specific day for business needs. However, every effort will be made by supervision to honor an employee's request for this Diversity Day. If the Diversity Day is not used during a year, it shall be lost and no additional compensation shall be granted.

Section 3. ABSENCE DUE TO SICKNESS OR ACCIDENT. (a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular payday following the date such employee becomes eligible. A-7

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short Term Disability compensation in accordance with the following table for up to twenty-six (26) weeks or until the employee is able to return to work, whichever occurs first. During the seven consecutive calendar day waiting period, it is intended that no employee will incur a loss of more than forty hours of straight time pay.

The administration of Short Term Disability compensation will be as follows:

Years of Service	Maximum Weeks at 100% Pay per Rolling 24 Months	Weeks at 66 2/3% Pay
0-1	None	All
1-5	10	Balance
6-10	15	Balance
11-14	20	Balance
15-20	26	Balance
21 or more	All	N/A

For example, if a 14-year employee is on leave in January for 15 weeks and then another 15 weeks in March of the following year, the first illness and five weeks of the 2nd illness will be paid at 100%. The remainder of the weeks will be paid at 66 2/3%.

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

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

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

(e) No wages will be paid under Article IV, Section 3 for illness caused by use of drugs, intoxication, or willful intention to injure oneself or others, by the commission of any crime by the employee, procedures not covered by the medical plan, the employee's refusal to adopt remedial measures as may be commensurate with the employee's disability or permit reasonable examinations and inquiries by the Company as in its judgment may be necessary to ascertain the employee's condition.

(f) The Company agrees that on an employee's return from illness, or disability of any kind, A-11 an effort will be made to find a less strenuous type of work for such employee until such time as the Company's and the employee's physician agree that he is capable of taking up his former duties. During this temporary period the employee shall be paid his regular classified rate of pay.

(g) If employees with twenty-five (25) or more years of service become physically unable to satisfactorily and safely perform the regular duties of their classification, an effort will be made by the Company to find work of a less strenuous nature for which they are qualified and to which the employees will be retrogressed. At the time of their assignment to a job of a lower classification their hourly wage rate will be reduced by ten cents (10¢) per hour and at six month periods will be reduced by ten cent (10¢) steps until their hourly wage rate conforms to the maximum hourly wage rate of the job classification to which they are assigned.

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

If employees with less than twenty (20) years of service become physically unable to satisfactorily and safely perform the regular duties of their job classification, they may request a demotion to a lower classification requiring work of a less strenuous nature for which they are qualified to perform. If such a demotion is granted by the Company, these employees will be assigned to a lower classification and will have their hourly wage rate red-circled at 50% of the differential between the maximum wage rate of the job classification to which they are demoted and their former job classification. Two years after being assigned to the lower paying job, the employee's wage rate will be reduced to the maximum wage rate of the employee's current job classification.

Section 4. INDUSTRIAL ACCIDENTS. (a) An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after an initial seven (7) calendar day waiting period and will continue for not more than twenty-six (26) weeks of continuous disability. However, if an industrial accident disability continues for fourteen (14) or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven (7) day waiting period.

(b) An injured employee who has been continuously disabled due to an industrial accident, subject to medical determination, and is unable to return to work for more than twenty-six (26) consecutive weeks, and has exhausted Short Term Disability benefits, will receive Long Term Disability benefits as described in the Company's Long Term Disability Plan Description.

Section 5. SURPLUS EMPLOYEES. Should an employee be declared a surplus employee, an effort will be made by the Company to find another job classification for which the employee is qualified. An employee assigned to a job of a lower classification as a result of his being a surplus employee will maintain his present hourly rate until the maximum hourly wage rate for the job classification to which he has been assigned is equal to the employee's present hourly wage rate or until the employee is promoted into a job opening for which he is qualified.

ARTICLE V

Section 1. (a) Definitions of Workers:

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

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

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

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

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

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

(c) The Regular Scheduled Work Period for Day Workers, Straight Shift Workers, Fixed Shift Workers, and Modified Shift Workers will consist of eight (8) or ten (10) consecutive hours exclusive of the lunch period. A-43

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

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

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

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

(f) The Regular Scheduled Work Week for Day Workers, Fixed Shift Workers and for Modified Shift Workers shall begin on Monday and shall consist of five (5) consecutive days from Monday to Friday, inclusive, except as otherwise mutually agreed to by the parties.

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

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

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

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

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

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

Emergency Work

Time and one-half shall be paid for all emergency time worked for other utilities at their respective operating locations. Emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates shall be paid as follows:

For continuous emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates, for which the employees depart from their home headquarters and return back to the home headquarters thereafter without an overnight lodging stay, the straight time rate will be paid during regular working hours. The rate of time and one-half will be paid for hours of continuous work over the regularly scheduled hours. After 16 consecutive hours of work, subsection (k) will apply.

For emergency work performed at any location or facility owned and/or operated by the Company, or its parent and related subsidiaries/affiliates, that requires a lodging stay away from home, on the first day of the assignment the straight time rate will be paid during regular working hours and the time and one-half rate will be paid for hours of continuous work over the regularly scheduled hours. Beginning with the second day and for the remaining consecutive days of such an assignment, the rate of time and one-half will be paid for all hours worked. After 16 consecutive hours of work, subsection (k) will apply.

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

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

(m) The Company shall be the sole judge as to the necessity for overtime work and the employee shall be obligated to work overtime when requested to do so. Overtime shall be divided as equally and impartially as possible among all employees within a job classification of a headquarters or as may be contained in the work rules unless an employee designates, in writing, that he does not wish to be called for overtime. Such waiver does not excuse an employee from overtime work when requested to do so. Overtime lists showing overtime hours paid for and overtime hours waived shall be posted weekly on the Company bulletin boards in each headquarters.

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

(o) When an employee changes headquarters or job classifications, the total of his overtime hours, including overtime hours worked or waived, will be canceled. The employee will then be charged with the same number of hours as the average of combined overtime hours worked and waived by all employees within that classification at the headquarters. When averaging overtime, omit the hours of any ill or injured employee whose hours have dropped below the lowest man for the group. Upon his return to work, his hours will not be included in the average until they are equal to those of the lowest man in the classification. However, an employee who is off work due to an injury or illness for 90 consecutive calendar days or more will have the option, upon returning to unrestricted duty, of being averaged in as described above on the current overtime list.

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

(q) The Company reserves the right to temporarily change the schedule of any employee upon notice to the employee of not less than forty-eight (48) hours, subject to the exceptions outlined in the Departmental and Divisional Working Rules in Exhibit A of this Agreement. ^{A-23}

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

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

Section 3. (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing community practice is not consistent with the indicated date. ^{A-64}

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

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

(c) Regular employees whose duties do not require them to work on holidays will be paid straight time; regular employees who are required to work on a recognized holiday for a period of four (4) hours or less not contiguous with hours worked into or out of the holiday will be paid for four (4) hours at time and one-half in addition to their straight time holiday pay. Employees who are required to work on a recognized holiday for more than four (4) hours not contiguous with hours worked into or out of the holiday but less than eight (8) hours will be paid for eight (8) hours at time and one-half in addition to their regular straight time holiday pay. Employees required to work on a holiday which is also their second off day will be paid at the rate of double time for the first eight (8) hours worked on the holiday. Employees who are required to work beyond their regularly scheduled work day on a recognized holiday or on the actual calendar date of the New Year's Day, Independence Day, Christmas Eve or Christmas Day holidays will be paid at the rate of double time for all such work in excess of their regularly scheduled work day. Employees must work either their full scheduled day before, or their full scheduled day after a holiday to be entitled to receive holiday pay.

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

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

Section 4. (a) An employee called out for overtime work shall receive a minimum of four (4) hours' pay at time and one-half, and double time if on an employee's second scheduled off-day. ^{A-70}

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

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

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

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

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

Section 5. (a) Except as otherwise provided, when performing work within the southwest Ohio and northern Kentucky (DEO/DEK) service territories, employees, required to work ten consecutive hours (excluding time taken out for meals), shall be furnished a meal compensation allowance and an additional meal compensation allowance for each contiguous five hour interval worked thereafter until released from duty. Employees who work a four day-ten hour schedule shall be furnished a meal compensation allowance whenever they work one hour or more in excess of their normal work day, and an additional meal compensation allowance for each contiguous five hour interval worked thereafter until released from duty. ^{A-5}

Except as otherwise provided, when performing work outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories, employees required to work ten consecutive hours (excluding time taken out for meals), shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty. Employees who work a four day-ten hour schedule shall be furnished a meal or compensation in lieu thereof whenever they work one hour or more in excess of their normal work day, and an additional meal, or compensation in lieu thereof, for each contiguous five hour interval worked thereafter until released from duty.

(b) When employees are called out to perform work within the southwest Ohio and northern Kentucky (DEO/DEK) service territories, on either their scheduled off day, or four or more hours before their regularly scheduled starting time, they shall be furnished a meal compensation allowance for each contiguous five hour interval worked even though they work into their regularly scheduled work day.

When employees are called out to perform work outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories, on either their scheduled off day, or four or more hours before their regularly scheduled starting time, they shall be furnished a meal, or compensation in lieu thereof, for each contiguous five hour interval worked even though they work into their regularly scheduled work day.

(c) Employees scheduled to work a double shift within the southwest Ohio and northern Kentucky (DEO/DEK) service territories (two consecutive eight hour shifts on different work days) shall be entitled to meal compensation allowances during this 16 hour period.

Employees scheduled to work a double shift outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories (two consecutive eight hour shifts on different work days) shall be entitled to meals, or compensation in lieu thereof, during this 16 hour period.

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

Current	Effective 5/5/2014
\$11.00	\$11.25

Section 6. Excluding planned projects and appointments prompted by customer requests, no field construction, field maintenance or routine customer service work shall be performed by employees included in this Agreement on actual calendar holidays for Labor Day, Thanksgiving Day and Christmas Day, except that which is necessary to protect life, property or continuity of service or as outlined in the Department and Division Working Rules in Exhibit A of this Agreement.

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

Section 8. (a) When conditions require that an employee shall work at such a distance ^{A-49} from his regular headquarters that returning to his headquarters each day would be impracticable, the Company at its option shall either provide transportation, meals and lodging or reimburse the employee a reasonable amount for expenses incurred. If such an employee is not required to

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

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

Section 9. (a) Each employee shall have a specific headquarters for reporting for work. A-71 However, the right of the Company to temporarily assign employees to other locations to properly run its business is recognized.

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

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

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

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

Section 10. (a) The Company will not require employees to do construction or maintenance A-8 work in exposed locations out of doors during heavy or continuous storms or excessively cold weather, unless such work is necessary to protect life, property or continuity of service.

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

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

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

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

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

At supervisor's discretion, bereavement pay may be taken in segments. For example, an employee may take time off on the day of the death, return to work and then take off additional time to attend the funeral. If an employee has worked four (4) hours or more and is notified of a death in his family, and leaves the job, the day will not be charged as one of the consecutive working days. If, however, he has not worked four (4) hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

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

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

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

Section 15. The person elected by the Union to represent them as Business Manager shall be permitted, after proper arrangements have been made with the appropriate department manager of the Company, or his authorized representative, to enter all buildings and areas where

men covered by this Agreement are working when such visits are necessary to carry out the terms of this Agreement in connection with questions arising out of this Agreement.

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

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

Section 17. The Company agrees to furnish bulletin boards at all division headquarters for the use of the Union. The use of these boards is restricted to the following: notices of union meetings, notices of union elections, notice of changes within the union affecting its membership, or any other official notices issued on the stationery of the Union and signed by the Business Manager or other duly elected or appointed officer. There shall be no other general distribution or posting by members of the Union of pamphlets or literature of any kind except as provided for herein.

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

Section 19. (a) The Company agrees to notify the Business Manager of the Union, on a quarterly basis, of the hiring of any outside contractors to do planned work normally done by the regular employees covered by this Agreement that may exceed 500 hours of time. It is the Company's intention that any contractors performing work on behalf of the Company do so safely and competently.

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

(c) It is the sense of this provision that the Company will not contract any work which is ordinarily done by its regular employees, if as a result thereof, it would become necessary to lay off any such employees.

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

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

(c) When an employee in this bargaining unit is temporarily advanced to a supervisory position outside the bargaining unit, the employee shall be paid the same rate of their classified assignment at the time of the temporary assignment. The temporary advancement of any individual is intended to be of a limited duration and not to exceed a maximum of six months total within a rolling twelve month period. Employees temporarily advanced to a supervisory position will not be assigned to supervise contractors completing work normally performed by IBEW 1347 represented employees.

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

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

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

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

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

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

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

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

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

Section 23. The Company reserves the right to arrange at its own expense for medical examinations of any employee at any time. When practical, the examinations will occur while employees are on duty.

Section 24. (a) The Union shall furnish the Company with a list of Department Stewards and this list shall be kept current. It is further agreed that only regular employees of the Company who are covered by this Agreement shall be designated as stewards.

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

Section 25. (a) The wage schedules described in the Agreement in effect immediately prior to the date of this Agreement shall be amended as follows: A-67

Maximum Hourly Wage Rates

Wage Level	Effective	Effective	Effective	Effective
	March 31, 2014	May 5, 2014*	April 1, 2015**	April 1, 2016***
	Includes \$.04 COLA	2.0%	2.0%	3.0%
1	\$14.58	\$14.87	\$15.17	\$15.62
2	\$16.82	\$17.16	\$17.50	\$18.02
3	\$21.34	\$21.77	\$22.20	\$22.87
4	\$21.78	\$22.22	\$22.66	\$23.34
5	\$22.24	\$22.68	\$23.14	\$23.83
6	\$23.31	\$23.78	\$24.25	\$24.98
7	\$24.78	\$25.28	\$25.78	\$26.55
8	\$25.51	\$26.02	\$26.54	\$27.34
9	\$25.97	\$26.49	\$27.02	\$27.83
10	\$26.52	\$27.05	\$27.59	\$28.42
11	\$27.82	\$28.38	\$28.94	\$29.81
12	\$28.20	\$28.76	\$29.34	\$30.22
13	\$28.58	\$29.15	\$29.73	\$30.63
14	\$29.26	\$29.85	\$30.44	\$31.36
15	\$29.94	\$30.54	\$31.15	\$32.08
16	\$31.20	\$31.82	\$32.46	\$33.43
17	\$31.45	\$32.08	\$32.72	\$33.70
18	\$32.03	\$32.67	\$33.32	\$34.32
19	\$32.89	\$33.55	\$34.22	\$35.25
20	\$34.62	\$35.31	\$36.02	\$37.10
21	\$35.15	\$35.85	\$36.57	\$37.67
22	\$35.50	\$36.21	\$36.93	\$38.04
23	\$35.83	\$36.55	\$37.28	\$38.40
24	\$36.20	\$36.92	\$37.66	\$38.79
25	\$36.54	\$37.27	\$38.02	\$39.16
26	\$36.70	\$37.74	\$38.49	\$39.65

* The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2013 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2014, July 1, 2014, October 1, 2014, January 1, 2015, based on the indexes of January 2014, April 2014, July 2014 and October 2014, respectively.

** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of

Labor, with the October, 2014 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2015, July 1, 2015, October 1, 2015, January 1, 2016, based on the indexes of January 2015, April 2015, July 2015 and October 2015, respectively.

*** The wages listed in this column will be increased (decreased) by 1 cents for each full 0.2% increase (decrease) of more than 4.0% in the U.S. Revised Urban Wage Earners and Clerical Workers Consumer Price Index published by the Bureau of Labor Statistics, U.S. Department of Labor, with the October, 2015 Index as the zero base and percentage increases calculated from that base after each quarter. The increase, if any, will be reflected in the payroll period beginning on April 1, 2016, July 1, 2016, October 1, 2016, January 1, 2017, based on the indexes of January 2016, April 2016, July 2016 and October 2016, respectively.

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

Employees are eligible for an incentive lump sum bonus up to a maximum of 2% or 5% of straight time and overtime wages per year in accordance with the 2009 negotiations letter of agreement entitled, "Union Employee Incentive Plan (UEIP), based on the achievement of goals during the previous year, as determined by the Company.

(b) Effective May 5, 2014, any employee who was on or below the maximum hourly wage rate of his job classification on May 5, 2014, shall receive the hourly wage rate increase in accordance with the increase applicable to the maximum wage rate of their job classification.

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

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

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

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

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

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

<u>Name of Shift</u>	<u>Definition of Shift</u>	<u>Differential Shift Cents Per Hour</u>	
		<u>Current</u>	<u>5/5/2014</u>
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	0	0
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight.	\$1.70	\$1.75
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.75	\$1.80

(h) When the majority of the hours in a shift are on Sunday, a Sunday premium in the amount of \$2.00 per hour will be paid to an employee for all scheduled straight time hours worked on that shift.

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

(j) When the management of a department has written or revised a job description, a representation of union employees within that department will be given an opportunity to suggest changes to the job description. The union representative will also be requested to complete a job questionnaire. The completed job questionnaire must be signed by the union representative and approved by the management of the department. After the management of the department has reviewed the suggested changes to the job description and approved the job questionnaire, this job documentation will be submitted to the Company's Evaluation Committee. The union representative will be invited to the Company's evaluation Committee meeting to present information about the job classification. There will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.

(k) The Company's Evaluation Committee will be responsible for evaluating all new and revised job classifications. The Union will appoint two (2) members to the Company's Evaluation Committee. The evaluation that is established by this Committee is used to determine the maximum wage rate for each new or revised job classification. Results of the evaluation will be communicated to the Union two weeks before the new or revised job classification becomes effective. A-27

(l) The Union shall maintain a Job Evaluation Advisory Committee consisting of not more than five members who may review the evaluation and wage rate of any job classification which

undergoes a substantial change in qualifications or duties. The Union's Committee may, by request, meet with the Company's Committee, at a mutually convenient time within thirty (30) days after the effective date of the new or revised job classification, to present any information relevant to the evaluation of the job classification which has been included in the previous written comments of the Union representative. The Union will be notified after the Company's Committee has reviewed the additional information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached. The Company will not be required to maintain, establish or discontinue any job classification covered by this Agreement.

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

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

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Section 26. (a) Eligible employees represented by the Union hired or rehired before January 1, 2015 will participate, or continue to participate, in the existing Cinergy Corp. Union Employees' Retirement Income Plan (the "Retirement Income Plan") as amended and restated effective January 1, 2014, and subsequently amended to make legally-required changes or technical changes that do not reduce the benefits formula, under the terms set forth in the April 2, 2014 Letter Agreement titled "Amendment to A-61 'Retirement Plan Agreement' Letter". Employees hired or rehired on or after January 1, 2015 will be not be eligible to participate in the Retirement Income Plan.

(b) It is agreed that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Agreement on April 1, 2017.

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A-36 Amend

(c) For the term of this Agreement, post-retirement health care under the health care plans sponsored by Duke Energy Corporation will be made available to eligible Union employees hired prior to January 1, 2010 in accordance with the correspondence from the Company to the Union dated July 22, 2004, as amended by the parties' April 2, 2014 Letter Agreement (Collectively, the "Post-Retirement Health Benefits Letters"), and the applicable plan documents. As discussed in the Post-Retirement Health Benefits Letters, Union employees who are hired on or after January 1, 2010 will not be eligible for either the Traditional Option or the HRA Option (as defined in the Post-Retirement Health Benefits Letters), but such employees shall be eligible for access (at unsubsidized rates) to post-retirement healthcare under the Duke Energy Corporation Medical Plan if they have attained age 50 and completed 5 years of vesting service as of the date of their retirement to the extent such coverage is available for Union employees in the Traditional Option and/or HRA Option.

Section 27. Any insurance benefit plans under the Duke Energy Health & Welfare Benefit Plans not specifically referenced elsewhere in this Contract (i.e. basic and supplemental life

A-63

insurance, accidental death & dismemberment and dependent life insurance) that the Company maintains and/or implements for the general non-represented employee population, shall also be provided to the bargaining unit employees at the same benefit levels, costs and plan design structure as for the non-represented employees. The Company has the right to add, eliminate and alter or to make any other changes to these insurance benefit plans or the employee costs of the plans, consistent with any changes it makes for the general non-represented employee population.

Section 28. (a) Health care coverage shall consist of the specially negotiated^{A-63} Exclusive Provider Organization (“EPO”) option offered under the Duke Energy Active Medical Plan with the design, covered service, premiums and other employee costs memorialized in the 2009 negotiations letter of agreement entitled “Health Care Benefits”, which option initially shall be offered through December 31, 2014 in accordance with Letter Agreement A-63 dated June 15, 2009. Any other health care options (medical, dental, or vision) that the Company unilaterally implements under the Duke Energy Active Medical Plan, the Duke Energy Active Dental Plan and/or the Duke Energy Active Vision Plan at its sole discretion for the general non-represented employee population shall also be offered to the bargaining unit employees during the term of the 2014-2017 Agreement at the same costs and with the same plan design structure as applies to the general non-represented employee population. It is expressly understood that the right to add, eliminate, alter and/or to make any other changes to these health care options or to the employee costs for these options, consistent with any changes it makes for the general non-represented employee population, is reserved to the Company, in its sole discretion.

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

A-61
A-61 Amend

Section 29. (a) The Company agrees to maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans. Eligible Union employees will participate or continue to participate in the existing Duke Energy Retirement Savings Plan, successor plan to the Duke Energy Retirement Savings Plan for Legacy Cinergy Union Employees (Midwest), hereinafter called the “Retirement Savings Plan.”^{A-72}

(b) The Retirement Savings Plan is memorialized in the plan document entitled the “Duke Energy Retirement Savings,” which, as amended includes the complete text of the Retirement Savings Plan.

(c) The Company hopes and expects to continue the Retirement Savings Plan indefinitely but it must reserve the right to alter or amend it or to discontinue Company contributions to it at any time. However, under no circumstances shall any part of the corpus or income held by the Trustee of the Retirement Savings Plan be recoverable by the Company or be used for or diverted to any purposes other than for the exclusive benefit of the employee participants or their beneficiaries as provided in the Retirement Savings Plan.

(d) The Company and the Union previously entered into Letter Agreement A-61 dated June 15, 2009 titled “Retirement Plan Agreement” which references certain enhancements to the Retirement Savings Plan related to the mandatory and voluntary opportunities to convert to the

“New Duke Retirement Program”. The Company and the Union further have agreed to certain retirement Savings Plan changes in a Letter Agreement dated April 2, 2014 titled “Retirement Savings Plan Changes for Traditional Pension Plan Participants.”

ARTICLE VI

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

(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that the employee may receive payment for another benefit. For example, no employee may interrupt vacation to begin sick leave or interrupt sick leave to include a holiday. The only exceptions to this provision are that an employee’s sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Agreement. In the event that any vacation days are unused as a result of a death in the family situation, the use of these unused vacation days must be approved in advance by supervision and shall not apply to the administration of vacation in one-day increments as provided under Article IV, Section 1(e) of the Agreement.

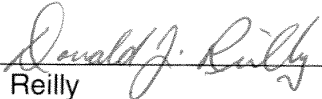
Section 2. This Agreement shall remain binding upon successors, assigns or transferees of the Company in the event of a merger, acquisition, divestiture, asset swap or sale, or other similar transaction announced or begun during the Agreement. The Company will require the Buyer, or any transferee, to recognize the Union as the collective-bargaining agent for bargaining-unit employees the Buyer employs and assume provisions identical to provisions of the Agreement applicable to those bargaining-unit employees.

The Union will support and it will not oppose, or in any way support or encourage opposition to the Company’s position regarding any mergers, acquisitions, divestitures or similar transactions or any regulatory matters (including rate cases or stranded cost determinations) or environmental matters announced or begun during the term of the Agreement.

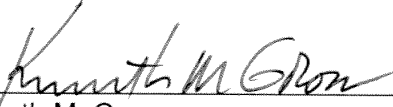
IN WITNESS WHEREOF, Local Union 1347 of the International Brotherhood of Electrical Workers and Duke Energy Ohio, Inc. and Duke Energy Kentucky, Inc. ("Company"), do hereby, by their duly authorized agents, in the premises, execute and sign this 2014 – 2017 Agreement between Duke Energy Ohio, Inc., and Duke Energy Kentucky, Inc. and Local Union 1347, in duplicate, this 6th day of October, 2014.

FOR THE UNION

Local Union No. 1347 of the
International Brotherhood
Of Electrical Workers



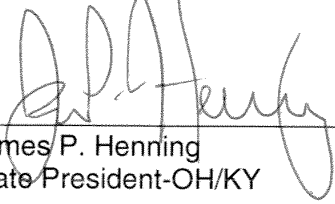
Don J. Reilly
Business Manager




Kenneth M. Gross
President

FOR THE COMPANY

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



James P. Henning
State President-OH/KY



Jay R. Alvaro
Dir., Labor Relations-Midwest/Carolinas

EXHIBIT "A"

DEPARTMENTAL AND DIVISIONAL WORKING RULES

REGULATED GENERATION
GENERAL WORK RULES

APPLICABLE TO:
EAST BEND STATION
WOODSDALE STATION

A-23
A-43
A-58
A-78

1. Shift Schedules shall be established in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.
2. A list of the employees in each Production Team and Support Team of each Division shall be posted by the Company each week showing the overtime worked by each employee during the previous week.
3. The meal period for employees, whose schedule provides a non-compensated one-half hour's meal period, will be defined in each Section. If the meal period is not granted between the time period designated in each Section, the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.
4. There shall be no Working Foreman or supervisors in any Section except when designated for the fifteen (15) minute relief periods.
5. On Shift Work Schedules, subject to the approval of the Company, employees will be permitted to trade shifts on the same job and jobs on the same shift, if both are qualified and agreeable.
6. On Shift Work Schedules, a list of employees in these Sections shall be posted by the Company showing the current job assignment and the progressive scheduled off-days where applicable.
7. No employee working on a Shift Work Schedule may be relieved and leave his job more than 30 minutes before his scheduled quitting time, unless he has received prior approval from his supervisor.
8. The Company will not require employees to furnish tools.
9. All thirty (30) minute unpaid meal periods may begin a half-hour before or after the normal meal period, at the discretion of supervision.
10. When employees are assigned to training classes they may be required to work eight (8) hours exclusive of an unpaid lunch period.
11. Those Production Team employees who are assigned to work for one or more days on other Teams will work the same designated hours as the Team to which they are assigned.

12. Personnel may be required to work ten (10) and twelve (12) hour shifts at the appropriate straight time and overtime rates for outages and/or as needs dictate:

Division	1	East Bend Station
Division	5	Woodsdale Station

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

MIDWEST COMMERCIAL GENERATION
GENERAL WORK RULES

APPLICABLE TO:
MIAMI FORT STATION
COMBUSTION TURBINES
WM. H. ZIMMER STATION

A-23
A-43
A-58
A-74
A-75

- Shift Schedules shall be established in accordance with the negotiated letter dated October 11, 1996 discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.
- A list of the employees in each Production Team and Support Team of each Division shall be posted by the Company each week showing the overtime worked by each employee during the previous week.
- The meal period for employees, whose schedule provides a non-compensated one-half hour's meal period, will be defined in each Section. If the meal period is not granted between the time period designated in each Section, the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.
- There shall be no Working Foreman or supervisors in any Section except when designated for the fifteen (15) minute relief periods.
- On Shift Work Schedules, subject to the approval of the Company, employees will be permitted to trade shifts on the same job and jobs on the same shift, if both are qualified and agreeable.
- On Shift Work Schedules, a list of employees in these Sections shall be posted by the Company showing the current job assignment and the progressive scheduled off-days where applicable.
- No employee working on a Shift Work Schedule may be relieved and leave his job more than 30 minutes before his scheduled quitting time, unless he has received prior approval from his supervisor.

13. The Company will not require employees to furnish tools.
13. All thirty (30) minute unpaid meal periods may begin a half-hour before or after the normal meal period, at the discretion of supervision.
14. When employees are assigned to training classes they may be required to work eight (8) hours exclusive of an unpaid lunch period.
15. Those Production Team employees who are assigned to work for one or more days on other Teams will work the same designated hours as the Team to which they are assigned.
16. Personnel may be required to work ten (10) and twelve (12) hour shifts at the appropriate straight time and overtime rates for outages and/or as needs dictate:

Division	2	Miami Fort Station
Division	3	Combustion Turbines
Division	4	WM. H. Zimmer Station

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

MIDWEST FIELD OPERATIONS

Division 6: OPERATORS

(a) MOBILE OPERATORS SECTION

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

Relief Operators work on all shifts.

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

2. There shall be no Working Foremen in this group.
3. Mobile Operators assigned to relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.
4. Mobile Operators working on the actual holidays of Thanksgiving Day and Christmas Day, may perform routine work on Company property, such as substation inspections, minor repair work, preventative maintenance work and planned switching as outlined in their job duties.

Division 7: SUBSTATION

(a) ELECTRIC MAINTENANCE SECTION

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

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

(b) ELECTRIC REPAIR SECTION

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

The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

(c) CONSTRUCTION SECTION

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

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

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

Division 8: TEST & RELAY

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

The normal meal period will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.

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

MIDWEST FIELD OPERATIONS

GENERAL WORK RULES APPLICABLE TO DIVISION 9 THROUGH 13

1. Shift Schedules shall be defined in each section in accordance with the negotiated letter dated October 11, 1996, discussing flexibility in work scheduling. Day shifts will be any hours between 6:00 a.m. and 6:30 p.m. Afternoon shifts will be any hours between 2:00 p.m. and 2:00 a.m. Evening shifts will be any hours between 10:00 p.m. and 10:00 a.m.
2. The normal meal period for divisions which operate on a day schedule will be between 12:00 noon and 12:30 p.m. However, the supervisor, at his discretion, may designate the thirty (30) minute meal period between 11:30 a.m. and 1:00 p.m. If the meal period is not granted between the time of 11:30 a.m. and 1:00 p.m., the employee will be allowed a shorter lunch period and will be permitted to eat on the job and will receive one-half hour's pay at the overtime rate.
3. The Company shall not require an employee to furnish tools.
4. Employees who bid, qualify and are accepted for posting openings in a Division shall receive a classified seniority date based on the date they enter the job opening and shall be eligible for merit increases at six (6) month intervals regardless of the wage rate of any other employee in the job classification, but in no event will an employee receive a wage rate that is higher than the maximum rate of the job classification which he is entering.
5. Employees hired after April 1, 2006, into any job classification within Divisions 9, 11, 12 and 13 (c) must reside within a 30-mile radius of the Company's headquarters located at Fourth & Main Streets, Cincinnati, Ohio.

Division 9: ELECTRIC TROUBLE

A-14
A-9

1. The Electric Trouble Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.
2. The Manual work of the Foremen in this Section shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.
3. Extra Linepersons "A"-Trouble shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.
4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

Employees assigned to work on the storm working schedule within the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal compensation allowance and an additional meal compensation allowance for each five hour interval thereafter, until released from storm duty.

Employees assigned to work on the storm working schedule outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five hour interval thereafter, until released from storm duty.

Division 10: ELECTRIC METER

A-80

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

The Premise Service Section will operate on a Rotating Shift Schedule or as described in General Work Rule 1.
2. There shall be no working Foremen in this Section.
3. Extra Premise Troubleshooters shall be assigned for periods of one (1) week and will be given not less than forty-eight (48) hours notice concerning the shift assigned for the following week.
4. Extra Premise Troubleshooters will be used to fill assigned shifts at their respective headquarters.

5. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

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

Division 11: OVERHEAD TRANSMISSION AND DISTRIBUTION CONSTRUCTION DIVISION

A-21
A-9

1. The Overhead Transmission and Distribution Section shall operate on a Day Schedule or as described in General Work Rule 1.
2. The Manual work of the Foremen in this Division shall be restricted to assistance in the handling or placing of heavy materials or equipment, the occasional pulling up of materials to Linemen and similar operations. It is the intention of Management that the primary duties of such Foremen shall be the supervision, planning, inspection and assignment of work to their crews and that no manual work is to be done which will detract from these primary duties.
3. Additional help will be supplied small line crews setting poles and transformers when conditions are such that the normal crews need additional help in the setting of poles and transformers in a safe and workmanlike manner.
4. Management shall prepare a storm working schedule which will be utilized at the discretion of the Department Manager when, in his opinion, unusually severe and prolonged storm conditions warrant the use of this schedule. The duration of the storm working schedule will also be determined by the Department Manager. Meal compensation will be paid to the employees who are assigned to this storm working schedule as follows:

Employees assigned to work on the storm working schedule within the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal compensation allowance and an additional meal compensation allowance for each five hour interval thereafter, until released from storm duty.

Employees assigned to work on the storm working schedule outside the southwest Ohio and northern Kentucky (DEO/DEK) service territories who have completed five hours of continuous storm work shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each five hour interval thereafter, until released from storm duty.

Division 12: UNDERGROUND CABLE AND EQUIPMENT

1. This Division shall operate on a Day Schedule and when required, a Fixed Shift Schedule or as described in General Work Rule 1.
2. There shall be no working Foremen in this Division.

3. When an opening occurs in a job classification within the Cable; Transformer & Equipment; and Test & Operation Sections of the Underground Cable and Equipment Division, job openings will be filled by the multiple posting system as outlined in Article III, Section 7(g).
4. Overtime shall be divided as equally and impartially as possible among all employees within a job classification in each Section of Division 12, such as Cable Section; Transformer & Equipment Section; and the Test & Operation Section.

Division 13: SERVICE DIVISION

(a) MATERIAL AND REPAIR SECTION

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

(b) MACHINE SHOP SECTION

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

(c) BRECON HEAVY EQUIPMENT AND REPAIR SECTION

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

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

Division 14: POWER DELIVERY WAREHOUSES

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

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

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

Division 15: GENERATION SUPPLY CHAIN

A-38

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

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

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

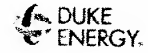
Division 16: FLEET SERVICES

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

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

2. Employees will be responsible for providing hand tools under 1". All other tools will be provided for by the Company as it determines necessary.

OUR VISION



SAFETY First

DUKE ENERGY HEALTH AND SAFETY VISION

Our health and safety vision is aimed at cultivating:
A healthy and injury-free workplace, sustained by behaviors that consistently demonstrate our commitment to the welfare of each other, our contractors and to the communities we serve.