

**KyPSC Staff First Set Data Requests
Duke Energy Kentucky
Case No. 2006-00172
Date Received: May 17, 2006
Response Due Date: June 14, 2006**

KyPSC-DR-01-022

REQUEST:

22. Provide all current labor contracts and the most recent contracts previously in effect for electric operations.

RESPONSE:

See Attachment KyPSC-DR-01-022 for the current union contracts for IBEW 1347 (pages 1 through 59), UWUA Local 600 (pages 60 through 91), and USWA Local 12049 and 5541-06 (pages 92 through 125).

WITNESS RESPONSIBLE: C. James O'Connor

IBEW 1347 2000-2006

Click on a link below to retrieve an Article.

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[Article I – Union Recognition, Contract Dates, Security & Discrimination](#)
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[Article V – Worker Definitions, Schedules, Shift Pay, Overtime, Holidays, Weather, Bereavement, Jury Duty, Promotional Exams, Contractors, Notification, Step-Up Pay, Safety Devices, Life Insurance, Wage Rates and Healthcare Coverage](#)
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MEMORANDUM OF AGREEMENT

This Agreement made and entered into by and between The Cincinnati Gas & Electric Company and its Affiliate, The Union Light, Heat and Power Company, hereinafter referred to as the "Company", wholly owned subsidiaries of Cinergy Corp., 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 Cinergy become the lowest cost producer and highest quality provider of energy service.

Employee Representative Team Mission Statement

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Cincinnati Gas and Electric Company a participative effort to oversee relationships between Union and Management personnel.
- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.
- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

For the purpose of facilitating the peaceful adjustment of differences that may arise from time to time and to promote harmony and efficiency to the end that the Company, the Union and the general public may mutually benefit, the parties hereto contract and agree with each other as follows:

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.

(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 February 3, 2000 and shall be binding on the respective parties hereto until April 1, 2006 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, 2006 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, 2006 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, 2006, of its desire to terminate the Agreement on April 1, 2006, 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 2000 - 2006 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 Cinergy 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, 2000, 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 July 1, 1967, or after the date of hire whichever is later, 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, beginning with September 21, 2000, by giving notice by registered or certified mail to the Employee Relations and Safety Department of this 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 after February 3, 2000, and as long as this section of the contract shall remain in full force and effect, 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 hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company.

(b) The above rights of Management are not all-inclusive, but indicate the type of matters or rights which belong to and are inherent to Management. Any of the rights, powers, and authority the Company had prior to entering this Agreement are retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this 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. In making promotions to any job outside the bargaining unit first consideration shall be given by the Company to employees with seniority and ability. The definition of the qualifications required for such a job and the determination as to whether any individual is qualified for the job is solely the responsibility of the Company.

Section 12. 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.

ARTICLE II

Section 1. GRIEVANCE PROCEDURE (a) Realizing the importance of avoiding delays in rendering decisions regarding grievances, the following procedure shall be followed. If after consultation of an employee covered by this Agreement with his immediate supervisor the employee still feels that he has a grievance arising out of this Agreement, the avenue of adjustment for such grievances shall be as follows:

First - Between the employee, the officially designated steward and the foreman or supervisor involved.

Second - Between the Steward or Business Manager and the District or Departmental Section Management.

Third - Between the Business Manager and, if necessary, a small committee representing the Union; and the Department Manager or another designated representative of the Department.

Fourth - Between the Business Manager and if necessary the officers of the Local Union and the officers of the Company or a designated representative of the Company.

(b) 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 third step of the grievance procedure.

(c) Employees engaged in the above grievance procedure during their working hours shall not suffer a loss of pay for such time.

(d) If a satisfactory settlement cannot be reached before the third phase of the procedure outlined above, the grievance shall be reduced to writing, in triplicate, by representatives of the Union.

(e) The aggrieved party shall have thirty (30) days after the postmarked date of the written decision of the fourth step grievance meeting to request arbitration as provided for in Section 2 of Article II of the Agreement. Failure to refer, in writing, the grievance to the arbitration procedure within the specified thirty (30) days' time limit will constitute settlement of the grievance.

Section 2. ARBITRATION PROCEDURE (a) Should a mutually agreeable settlement of a difference arising out of this Agreement between the Company and the Union be impossible and either party desires to submit such a question to arbitration, that party shall notify the other party, in writing, of the questions to be arbitrated and shall also name their arbitrator within fifteen (15) days of the failure of both parties to agree. The other party shall name its arbitrator within ten (10) days after receiving such notice of the desire of the other party to arbitrate. The two arbitrators shall meet within ten (10) days after their appointment in an attempt to settle the questions referred to them and if they fail to reach a settlement then the two arbitrators selected by the parties shall try to agree on the third and neutral arbitrator. If no agreement can be reached within five (5) days on the selection of the third arbitrator the parties shall jointly request a list of seven

(7) names of persons eligible to act as a third arbitrator from either the Director of the Federal Mediation and Conciliation Service or the local Regional Director of the American Arbitration Association. If the agency to be used cannot be mutually agreed to, the selection shall be by the flip of a coin. In the event of the failure of the two arbitrators to select the third arbitrator from said list of eligible persons, the two arbitrators shall jointly apply to the selected agency for an additional list of seven (7) names of persons eligible to act as a third arbitrator. In the event of the failure of the two arbitrators to select the third arbitrator from the second list of eligible persons, the two arbitrators, beginning with the arbitrator as determined by the flip of a coin, shall cross off names in turn until only one remains, whereupon the remaining name shall be acceptable to both parties as the neutral arbitrator and Chairman of the Arbitration Board.

(b) Matters referred to the three-man arbitration board shall be settled by the board with reasonable dispatch and decisions rendered by the board shall be final and binding on the parties hereto. The three-man arbitration board 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 decisions of the arbitrator or subsequent thereto.

(c) In the case of arbitration each party shall bear the expense of its own arbitrator. The neutral arbitrator's and other joint expenses mutually agreed upon shall be born equally by both parties.

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 | - Energy Commodities |
| (2) Miami Fort Station | - Energy Commodities |
| (3) Walter C. Beckjord Station | - Energy Commodities |
| (4) Wm. H. Zimmer Station | - Energy Commodities |
| (5) Woodsdale Station
(including the Dicks Creek Station) | - Energy Commodities |
| (6) Operators | - Energy Delivery |
| (7) Substation | - Energy Delivery |

- '8) Electric Test - Energy Delivery
- (9) Electric Trouble - Energy Delivery
- (10) Electric Meter - Energy Delivery
- (11) Overhead Transmission and Distribution, Construction - Energy Delivery
- (12) Underground Cable and Equipment - Energy Delivery
- (13) Service Division - Energy Delivery
- (14) Inventory Services - Energy Delivery
- (15) Power Plant Stores - Energy Commodities
- (16) Transportation Services - Energy Delivery

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. If any employee is promoted to a supervisory job outside the bargaining unit, he shall retain, for a period of one year, all classified seniority accumulated up to the date of his 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 one year, 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.

(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 a two (2) weeks' 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 system service, into 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.

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 employee who may make application to the Employment Office for transfer to a starting job for which he may be qualified will be given preference for consideration before a new employee is hired for the job. Anyone transferring as provided herein shall not receive a reduction in rate unless his rate of pay exceeds the maximum rate of the job to which he is transferred. In such case his rate shall be reduced to the maximum rate of that job. For the first six (6) months after an employee transfers as provided herein, he 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

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 if the employee has attained at least 34 years of service. The sixth week of vacation prior to 34 years of service will

automatically be deposited in the employee's vacation bank and is intended for banking purposes unless specifically approved for time off by supervision.

(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.

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.

(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.

(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 must be taken within the calendar year that they become due, except for sabbatical vacation.

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.

(b) After an employee has been continuously disabled, subject to medical determination, and unable to return to work for more than seven consecutive calendar days, the employee will receive Short Term Disability consisting of full compensation 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 five scheduled days of straight time pay.

(c) The administration of Short Term Disability compensation for employees hired 1-1-05 or after will be as follows:

Years of Service	Weeks at 100% Pay	Weeks at 66 2/3% Pay
0 – 1	None	All
1 – 5	10	Balance
6 – 10	20	Balance
11 – 14	26	Balance
15 or more	All	

***Upon the commencement of an illness, employees are eligible to receive the portion of the total listed weeks at 100% pay not used over the previous two-year rolling time period.**

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.

(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 venereal disease, use of drugs, intoxication, or willful intention to injure oneself or others, by the commission of any crime by the employee, or his refusal to adopt such remedial measures as may be commensurate with his disability or permit such 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, 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.

(i) 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.

(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.

Double time shall be paid for all emergency time worked for other utilities at their respective operating locations. Work performed at any location or facility owned and/or operated by Cinergy Corp., or its subsidiaries is excluded from this double time provision.

(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 once each month on the Company bulletin boards in each headquarters.

(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.

(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.

(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.

<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.

(j) 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 more than eight (8) hours on a recognized holiday will be paid at the rate of double time for all such work in excess of eight (8) hours. An employee must work either his full scheduled day before, or his 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.

(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 employees are required to work ten (10) consecutive hours (excluding time taken out for meals), he shall be furnished a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked thereafter until released from duty. Employees who work a four (4) day-ten (10) 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 (5) hour interval worked thereafter until released from duty.

(b) When an employee is called out on either his scheduled off day, or four (4) or more hours before his regularly scheduled starting time, he shall be furnished a meal, or compensation in lieu thereof, for each contiguous five (5) hour interval worked even though he works into his regularly scheduled work day.

(c) Employees scheduled to work a double shift (two consecutive eight (8) hour shifts on different work days) shall be entitled to meals, or compensation in lieu thereof, during this sixteen (16) hour period.

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

Current	Effective
\$9.50	4/01/05 \$9.75

Section 6. No construction work shall be performed by employees included in this Agreement on Labor Day, except that which is necessary to protect life, property or continuity of service.

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 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 to 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. 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 Inventory Services, Power Plant Stores, Transportation, and Power Operations 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 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	7	5
Mother	7	5
Father	7	5
Brother	7	5
Sister	7	5
In-laws (father, mother, brother sister, son or daughter)	5	3
Grandchild	6	4
Grandparent/Spouse's Grandparent	4	2

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 Union of the contemplated hiring of any outside contractors to do work normally done by the regular employees covered by this Agreement.

(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 four (4) hours 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 receive one dollar and twenty-five cents (\$1.25) per hour above the maximum rate of pay of his job classification.

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.

(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.

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:

Maximum Hourly Wage Rates

Wage Level	As of Mar. 31, 2000	Effective April 1, 2000*	Effective April 1, 2001**	Effective April 1, 2002***	Effective April 1, 2003****	Effective April 1, 2004 *****	Effective April 1, 2005 *****
1	\$ 9.70	\$ 9.99	\$10.29	\$10.60	\$10.92	\$11.25	\$11.59
2	\$11.20	\$11.54	\$11.89	\$12.25	\$12.62	\$13.00	\$13.39
3	\$14.26	\$14.69	\$15.13	\$15.58	\$16.05	\$16.53	\$17.03
4	\$14.55	\$14.99	\$15.44	\$15.90	\$16.38	\$16.87	\$17.38
5	\$14.87	\$15.32	\$15.78	\$16.25	\$16.74	\$17.24	\$17.76
6	\$15.58	\$16.05	\$16.53	\$17.03	\$17.54	\$18.07	\$18.61
7	\$16.58	\$17.08	\$17.59	\$18.12	\$18.66	\$19.22	\$19.80
8	\$17.08	\$17.59	\$18.12	\$18.66	\$19.22	\$19.80	\$20.39
9	\$17.39	\$17.91	\$18.45	\$19.00	\$19.57	\$20.16	\$20.76
10	\$17.75	\$18.28	\$18.83	\$19.39	\$19.97	\$20.57	\$21.19
11	\$18.62	\$19.18	\$19.76	\$20.35	\$20.96	\$21.59	\$22.24
12	\$18.87	\$19.44	\$20.02	\$20.62	\$21.24	\$21.88	\$22.54

13	\$19.12	\$19.69	\$20.28	\$20.89	\$21.52	\$22.17	\$22.84
14	\$19.61	\$20.20	\$20.81	\$21.43	\$22.07	\$22.73	\$23.41
15	\$20.05	\$20.65	\$21.27	\$21.91	\$22.57	\$23.25	\$23.95
16	\$20.89	\$21.52	\$22.17	\$22.84	\$23.53	\$24.24	\$24.97
17	\$21.07	\$21.70	\$22.35	\$23.02	\$23.71	\$24.42	\$25.15
18	\$22.05	\$22.71	\$23.39	\$24.09	\$24.81	\$25.55	\$26.32
19	\$22.63	\$23.31	\$24.01	\$24.73	\$25.47	\$26.23	\$27.02
20	\$23.20	\$23.90	\$24.62	\$25.36	\$26.12	\$26.90	\$27.71
21	\$23.56	\$24.27	\$25.00	\$25.75	\$26.52	\$27.32	\$28.14
22	\$23.81	\$24.52	\$25.26	\$26.02	\$26.80	\$27.60	\$28.43
23	\$24.03	\$24.75	\$25.49	\$26.25	\$27.04	\$27.85	\$28.69
24	\$24.28	\$25.01	\$25.76	\$26.53	\$27.33	\$28.15	\$28.99
25	\$24.51	\$25.25	\$26.01	\$26.79	\$27.59	\$28.42	\$29.27
26	\$24.81	\$25.55	\$26.32	\$27.11	\$27.92	\$28.76	\$29.62

* 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, 1999 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, 2000, July 3, 2000, October 2, 2000, January 1, 2001, based on the indexes of January 2000, April 2000, July 2000 and October 2000, 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, 2000 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, 2001, July 2, 2001, October 1, 2001, December 31, 2001, based on the indexes of January 2001, April 2001, July 2001 and October 2001, 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, 2001 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, 2002, July 1, 2002, September 30, 2002, December 30, 2002, based on the indexes of January 2002, April 2002, July 2002 and October 2002, 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, 2002 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, 2003, June 30, 2003, September 29, 2003, January 5, 2004, based on the indexes of January 2003, April 2003, July 2003 and October 2003, 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, 2003 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, 2004, July 5, 2004, October 4, 2004, January 3, 2005 based on the indexes of January 2004, April 2004, July 2004 and October 2004, respectively.

***** The wages listed in this column will be increased (decreased) by 1 cent 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, 2004 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, 2005, July 4, 2005, October 3, 2005, January 2, 2006, based on the indexes of January 2005, April 2005, July 2005 and October 2005, 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% of straight time and overtime wages per year, based on the achievement of goals during the previous year, as determined by the Company.

(b) Effective April 1, 2000, any employee who was on or below the maximum hourly wage rate of his job classification on April 1, 2000, 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:

**Differential Shift
 Cents Per Hour**

Name of Shift	Definition of Shift	Current	4/1/00	4/1/01	4/1/02	4/1/03	4/1/04	4/1/05
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	0	0	0	0	0	0	0
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight.	\$1.05	\$1.10	\$1.15	\$1.20	\$1.25	\$1.30	\$1.35
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.10	\$1.15	\$1.20	\$1.25	\$1.30	\$1.35	\$1.40

(h) When the majority of the hours in a shift are on Sunday, a Sunday premium in the amount of \$1.35 per hour will be paid to an employee for all scheduled straight time hours worked on that shift. On April 1, 2001 this amount will increase to \$1.40 per hour; on April 1, 2002 to \$1.45 per hour; on April 1, 2003 to \$1.50 per hour; on April 1, 2004 to \$1.55 per hour and on April 1, 2005 this amount will increase to \$1.60 per hour.

(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.

(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.

Section 26. (a) Employees represented by the Union are entitled to the benefits of the Retirement Income Plan as contained in the Company's publication "Cinergy Corp. Union Employees' Retirement Income Plan", with the latest amended date of January 1, 2003, and which includes changes as required by appropriate federal legislation and regulation governing such plans.

(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 April 1, 2006.

Section 27. The Company will provide each employee with Term Life Insurance in the amount of two (2) times the employee's straight time annual salary.

Section 28. (a) Health Care coverage will consist of alternative medical and dental plans. Employees will pay ten percent (10%) of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. The Company's part of the above premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such a contract immediately prior to the employee's sickness or industrial accident.

(b) Employees on layoff will be entitled to continue to participate in the health care 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 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).

Section 29. (a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as "Cinergy Corp. Union Employees' Savings Incentive Plan", for non-exempt employees, hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication "The Cincinnati Gas & Electric Company Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive 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 Savings Incentive 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 Savings Incentive Plan.

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 be binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company in accordance with the General Memorandum of Understanding dated February 14, 2000.

IN WITNESS WHEREOF, Local Union 1347 of the International Brotherhood of Electrical Workers and The Cincinnati Gas & Electric Company and The Union Light, Heat and Power Company do hereby, by their duly authorized agents, in the premises, execute and sign this 2000 -

2006 Agreement between The Cincinnati Gas & Electric Company, The Union Light, Heat and Power Company and Local Union 1347, in duplicate, this _____ day of _____, 2000.

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

Francis B. Kelly
Business Manager

Kenneth M. Gross
Assistant Business Manager

Stephen H. Feldhaus
President

For the Company
The Cincinnati Gas & Electric Company

Larry E. Thomas
President, Energy Delivery
Business Unit

Michael J. Cyrus
President, Energy Commodities
Business Unit

Daryl J. Teed
General Manager, Employee Relations,
Safety and Disability Programs

Kenneth E. Williams
Manager, Employee Relations

EXHIBIT "A"

DEPARTMENTAL AND DIVISIONAL WORKING RULES

POWER OPERATIONS DEPARTMENT

GENERAL WORK RULES

APPLICABLE TO:

EAST BEND STATION

MIAMI FORT STATION

WALTER C. BECKJORD STATION

WM. H. ZIMMER STATION

WOODSDALE STATION

(including the Dick's Creek Station)

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 month showing the overtime worked by each employee during the previous month.
3. The normal meal period for Support Team employees, whose schedule provides a non-compensated one-half hour's meal period, will be defined by the Teams. If the meal period is not granted between the time period designated by the Teams, 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. The primary duties of Team Consultants and Plant Specialists shall be listed in the Team Guidelines and no manual work is to be done which will detract from these primary duties.
5. On Shift Work Schedules, subject to the approval of the Team and review of the Group Leaders, 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 on each Team shall be posted by the Company showing the current Team assignment and the progressive scheduled off-days where applicable.
7. No employees working on a Shift Work Schedule may be relieved and leave their job more than 30 minutes before their scheduled quitting time, unless they have received prior approval from their Team.
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 the Team.
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	2	Miami Fort Station
Division	3	W. C. Beckjord Station
Division	4	WM. H. Zimmer Station
Division	5	Woodsdale Station (including the Dick's Creek Station)

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

ENERGY DELIVERY

Division 6: OPERATORS

(a) MANUAL OPERATORS SECTION (including Station Operators)

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 the employees in this group, including Relief Operators, shall be designated Shift Workers.

2. There shall be no Working Foremen in this group.
3. Station Operators assigned to general relief shall be entitled to not less than a twenty-four (24) hour notice of changes in shift assignments or scheduled days off.

(b) 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.

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: ELECTRIC TEST

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.

ENERGY DELIVERY

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.

Division 9: ELECTRIC TROUBLE

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 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 10: ELECTRIC METER

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

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 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 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: INVENTORY SERVICES

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: POWER PLANT STORES

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

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: TRANSPORTATION 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.

Employees in the following listed job classifications on January 1 of each year will be granted a tool allowance applicable to their classification as follows:

	Current	2005
Transportation Senior Hydraulic, Transportation Senior Mechanic, Transportation Senior Body Mechanic, Transportation Mechanic "A" and Transportation Mechanic "B"	\$275	\$300

Exhibit "B"

Power Operations Team Guidelines

These guidelines were initially established for the implementation of Production and Support Teams in Power Operations. The guidelines were developed in a partnership of

Union and Management, using the many ideas and suggestions that were provided through the participation of employees in the workshops, labs, pilots and rollouts. The initial guidelines were a starting point to begin building a new way of working together to achieve business goals. Contract language continues to apply unless modified in these guidelines. This revision was developed as a result of continued Union and Management partnership.

The guidelines were first implemented for the pilot at East Bend Station and were subject to change from our experiences as the implementation moved from station to station. These guidelines may occasionally change upon changing business needs and approval of Union and Management.

The input and suggestions from all employees are welcome and encouraged as the guidelines are implemented. The involvement of every Union and Management employee is critical to achieving continued success.

Teams

Production Team Staffing

1. In the event insufficient I&C and/or Maintenance skills exist on the Production Teams the expectation exists that these skills will be developed on the Production Teams in an expeditious manner. Employees possessing the sufficient skills will work on and with the Teams for their development. In order for this to occur, represented personnel possessing the skills will be assigned to the Teams on a rotational basis for up to three months at a time to perform on-the-job training. This will continue for a period of three years, or until such time the necessary skills transfer takes place. These training assignments will be made "in plant", with everyone possessing Intermediate and above skill sets in Mechanical, Electrical, and Instrumentation and Control required to participate, as determined by the insufficient skill set. Flexibility should be given to personnel in these training assignments to pick their rotational assignment. However, if no agreement can be reached, assignments will be made beginning with the lowest classified seniority person first.
2. Any new hires, exempt employees returning to the bargaining unit, or those coming from outside of Power Operations and System Resources, will start on the Production Team.
3. Job postings for Production Teams will be in-plant first, then within the Department, then within Re-deployment, and then Company wide. Every effort will be made to staff Teams on a voluntary basis. Any employee entering the Production Team job sequence during the initial Team staffing at a station was exempt from taking the combined POSS/MASS test battery. Any employee who has previously been in the former Operations job sequence or Maintenance (Electrical, Mechanical or I & C) job sequence is exempt from taking the combined POSS/MASS test battery. Any others

(internal or external) are required to successfully complete the combined POSS/MASS test battery prior to entering the Production Team job sequence.

4. Non-Power Operations personnel must first pass a combination of the POSS/MASS testing batteries to meet the minimum qualifications for the Production Team Member. Filling of positions for those outside of Power Operations will be according to the Pool letter that currently exists. The present Team Members and Team Consultants will have the opportunity to interview any candidates and offer recommendations for hiring.
5. In the case where a qualified person from one plant bids onto a Production Team at another plant, the census at the two plants will change. Management and Union representatives will review the effects and resolve any potential staffing issues.
6. All Team Members will select an Advanced skill set in one discipline, as well as qualifying to the Intermediate skill set level in the remaining disciplines. A continuing education and skill maintenance system will be in effect for all personnel in the pay for skill model. The Skill Maintenance System is designed to assist Team Members in further developing, refining, and maintaining their skill bases, to insure that Cinergy employees continue as the best in class, high value added supplier of services. It is not the purpose of the Skills Maintenance System to remove or reduce compensation earned in the Skills Acquisition Program. If Team Members are unsuccessful at maintaining the skills required for their position, an action plan of additional training and work exposure will be implemented to re-gain the skills.
7. Equal opportunity policies of the company will apply to the selection process.

Support Teams Staffing

1. Job postings for Support Teams will be in-plant first, then within the Department, then within the Pool, and then Company wide. Any employee entering the Maintenance Services Support Team job sequence during the initial Team staffing at a station was exempt from taking the MASS test battery. Any employee who has previously been in the former Maintenance (Electrical, Mechanical, or I & C) job sequence is exempt from taking the MASS test battery. Any others (internal or external) are required to successfully complete the MASS test battery prior to entering the Maintenance Services Team job sequence.
2. Those employees remaining in the Maintenance Services or Material Services Teams are in a pay for skill profile requiring multiple skills to obtain wage increases and bonuses. Employees not in the Maintenance Services or Material Services pay for skill profile, remain in their former classification based seniority, and are not in a pay for skill model at this time. Any changes to the present design must be firmly supported by a tangible business case demonstrating positive financial impact to the corporation and must be agreed upon by both Union and Management.

3. Using the Cinergy Skill Qualification Process developed for the flexible multi-skilled worker concept, all Support Team Maintenance Services and Material Services personnel, with the exception of the Hoist Fleet Operator position, will have the opportunity to obtain the skills necessary to progress to their respective skill profile's maximum wage rate and bonus. Maintenance Services Team Members may choose the discipline in which they prefer to achieve their Advanced Level Skill Set, and will also obtain the Intermediate Level Skill Sets in the remaining disciplines.
4. The top wage rate for Maintenance Services Team Member is established equivalent to the former top wage rate of Maintenance First Class Repairer and Instrument and Control Technician I. The Material Services Team Members may progress to the former AFO rate of pay for all stations, excluding East Bend. The East Bend Material Services Team Members may progress to the former Senior Landfill Operator wage rate. All Material Services Team Members must successfully demonstrate the multiple skills to qualify for the wage increases. Maintenance Services and Material Services Team Members who are in the pay for skill profile and successfully complete the skill set will be compensated as described in Attachment C.
5. Support Team personnel are expected to travel to other plants as plant work loads dictate and availability exists. The travel assignments will be in accordance with the present 1347 collective bargaining agreement.
6. When Support Team Members are being utilized as a shared service they will be given notice to report to the new work location based on the change of schedule guidelines in the present 1347 collective bargaining agreement. There may be a situation at their home station which requires additional resources. If the employees are required to return to their normal work location ahead of the previously established schedule, the same guidelines for the change of schedule above will be utilized. (Presently this is not less than forty-eight hour notice.)
7. A continuing education and skill maintenance system will be in effect for all personnel in the pay for skill model. This Skill Maintenance System is designed to assist Team Members in further developing, refining, and maintaining their skills, to insure that Cinergy employees continue as the best in class, high value added supplier of services. It is not the purpose of the Skills Maintenance System to remove or reduce compensation earned in the Skills Acquisition Program. If Team Members are unsuccessful at maintaining the skills required for their position, an action plan of additional training and work exposure will be implemented to re-gain the skills.
8. For the certified welding skill base for Production Teams and Support Teams, the guidelines of how this will be administered are included in Appendix B.

Skills Acquisition and Compensation Process

1. Point System

Development of flexible, multi-discipline Team Members in the Cinergy Qualification Process will be tracked by a point system. The point system design is based on assigning each Duty Area in the qualification handbook a given point value. Each handbook and the point values will be unique to the station. Compensation, including bonuses, is based on a pre-determined total of points.

A tracking tool will be implemented to track each Team Member's progress by the Group Leaders in the program monthly. This tracking tool will ensure that the necessary points and skills are being acquired. The Point System allows Team Members the flexibility to choose their own skills acquisition path based upon Team needs (see attachment C).

2. Alternate Career Path

Employee's may qualify and choose an alternate career path due to previous work history and experience based on the criteria listed below. These employees are still expected to act as flexible workers and are required to participate in the Skills Acquisition Process as validators, trainers and PQS's.

GROUP A: A Team Member who is age 50 or has a combined age and years of service that is equal to or above 72 on or before July 31, 1998 is fully exempt from the written and performance testing for the multi-skilled worker.

GROUP B: A Team Member who is age 45 or has a combined age and years of services that is equal to or above 67 on or before July 31, 1998 is partially exempt. Employees in this category are required to acquire the Two Year Point Total, but are not required to acquire the Later Points in their pay for skill model.

Employees in group A or B can acquire at their option additional points. If a employees choose to do this they will receive additional compensation (See attachment C).

Apprenticeship Program

In 1998 an apprenticeship Program will be developed for new hires in the Pay for Skill Model by a Union and Management Team.

Bidding Between Production and Support Teams

1. Personnel have the option to bid between Production and Support Teams when such openings are available. Any initial wage rate increase associated with their original bidding or placement on a Production Team will be lost by a Team Member returning

to a Support Team position. Departing Production Team Members may be required to continue on their job in order to maintain the continuity of the Team until those positions are filled.

2. For an inter-Team bid and placement to occur, a vacancy must exist, the candidates must be qualified, and the departing Production Team Member must be replaced by a qualified person, possessing the necessary skills to properly and effectively replace the Team Member. Production Team Members may not be permitted to assume the new position if absence from the Production Team will negatively impact the operation and maintenance of the station, or they do not possess the necessary skills to be effective on the respective Support Team. This is especially applicable to Team Members with only the Operations skill base. If the departing Team Member is from the former Operator classification, and has not developed non-operating skill sets, wage rate adjustments will apply (see paragraph 4). The release of employees from existing positions to the new positions will be in a mutually agreed time frame.
3. Support Team Members will be given preference for any Production Team job openings.
4. When bidding off a Production Team, the bidder's pay will be reduced by \$0.50 or to the top rate of the Support Team whichever is less. If they do not meet the requirements of the Support Team position they are moving into they will have a pre-determined time frame to acquire these skills. If they fail to acquire these skills in the pre-determined time frame, a new wage rate will be negotiated and established based on their relative acquired skill level in the Skill Profile they are entering. If the new position on the Support Team is not applicable to the pay for skill model, then they shall maintain the red-circled rate and be subject to the appropriate job summary or profile.
5. For Support Team vacancies, it is understood that any new hires will start on the Production Team and a Production Team Member will fill the Support Team vacancy through the job posting process. The remaining most senior "forced" Production Team Member willing to exit the Production Team will be awarded the position. Absent any remaining "forced" personnel on the Production Teams, the position will be filled by the most senior qualified Team Member on the Production Team, with the described wage rate adjustments applying. If no bids are received from Production Team Members, the position will be filled directly to the Support Team from external applicants.
6. Production Team and Support Team voluntary trades will be considered on a case by case basis. These trades should be approved provided no adverse impact through the loss of skills to either Team is encountered. If and when these trades take place the traders must remain in the job for three years.

Bidding Between Plants

1. Inter-plant bidding will be allowed. There are no "bumping" rights. If an opening exists, and no one at the plant bids, and / or meets the minimum requirements, the opening will be posted department-wide and then company-wide. If more than one bidder meets the minimum requirements, the bidder with the highest Power Operations seniority will be awarded the position.
2. In the event that no bidders meet the Skill Profile requirements of the position, the job may be awarded to a bidder of lesser skills, provided the applicant agrees to acquire and demonstrate they have the skills for the position within a mutually agreed upon time frame. The employee will demonstrate the skills by completing the appropriate Cinergy Skills Qualification Process for their respective job. Failure to achieve these skills in the agreed upon time frame will be handled on a case by case basis.
3. For personnel moving from a Support Team to a Production Team, they will receive a 5% increase in wage rate, but no more than the maximum wage rate of the top Production Team Member pay.
4. Qualifications being sufficient, preference will be given to the person with the most Power Operations seniority.

Team Rules / Guidelines

Team Leaders

1. The Team Leaders will be selected from the represented Team Members. The Team Leader role is expected to rotate periodically among the Team Members to allow for continued development of leadership roles within the Team. The Team Leader should stay in the job long enough to establish continuity and become proficient at the job. The Team will have input on the proper rotation frequency. Team Leaders will receive feedback from the Group Leaders, Team Consultants, and other Team Members as it relates to their Team duties. Overall job performance evaluation of Team Leaders will continue to be conducted by the Team Consultant with input from the Group Leaders.
2. Everyone on the Team is encouraged to become a Team Leader at some time, although no one will be forced. The company encourages responsible risk-taking from its employees. It is anticipated that Teams may make some mistakes in their development. It is expected that the Teams will learn from these errors and incorporate their learning's to avoid repeating them.
3. In the Team Management system Teams are expected to resolve most Team issues. Matters involving discipline will be handled by management personnel. The Team Leader does not discipline Team Members.
4. Consistent with past practices for orderly transition of shifts, arriving Production Team Leaders may report ¼ hour early each day to consult with the on-duty Production

Team Leaders. It is expected that this transition should be accomplished in less than ¼ hour, for which overtime will be paid. In the event that unit conditions or project activities require more than ¼ hour, the Team Leader should be paid appropriate overtime . It is expected that this applies to Production Teams only, not Support Teams. However, in the event that it is necessary for Support Team Leaders to report prior to the start of the shift they will receive the appropriate pay. Team Members will also need to meet together at the beginning of each shift. A one-on-one shift relief procedure will be established by the Teams for Team Member transition on a straight time basis.

5. Production and Support Team Leader duties include, but are not limited to, the following:
 - Facilitate regular Team meetings to:
 - a) Discuss who will be doing what,
 - b) Make plans with Team help to fill vacancies in the most economical manner,
 - c) Get updates from KFA's ,
 - d) Interface with the Team Consultant on any problems, questions, or needs.
 - Brief the relieving Team Leader,
 - Perform daily work assignments,
 - Communicate routinely with Group Leaders,
 - Facilitate Team problem-solving / decision-making,
 - Coach / counsel other Team Members as appropriate,
 - Work with the Team Consultant and balance of management to help transfer the appropriate management roles to the Team and provide leadership skills in transitioning the Team to the Team Management System.

Team Performance Guidelines

1. Production Teams will work a schedule (that makes business sense) to provide coverage 24 hours per day, seven days per week . Flexibility will be maintained so that the Teams can work out whatever rotation allows them to accomplish their tasks, as long as coverage is maintained within the business demands of the station and corporation. All schedules will need to be approved by a joint Union and Management Leadership Team.
2. The Support Teams are responsible for providing support services to the Production Teams. In order to meet the needs of the Production Teams, Support Teams will work rotating shifts as needed.
3. When a temporary vacancy exists on a Production Team, that Team will decide the appropriate course of action. (In some cases it is not possible to get the Team together in a timely fashion so the Team Leader and Team Consultant will need to address the vacancy) Options will include changes of schedule, working overtime, or not filling the vacancy at all, depending on the work load. The Production Team Group

Leaders will decide whether they will go outside the Team to request Support Team assistance, or implement schedule changes.

4. Team Members who are not Team Leaders are requested to assume, but are not limited to, the KFA duties below. In the event that there are no volunteers these duties will be assigned. These will rotate on an annual basis.
 - Permits & Inspections (burning & welding, agency notifications)
 - Safety (switching & tagging, safety meetings)
 - Quality (prioritize Support Team activities)
 - Personnel / Administrative (interface with office, scheduling and relief for vacations, performance review scheduling and overtime)
 - Training (monitor training needs for Team Members, scheduling mandatory training, first aid, confined space, fire brigade, etc.)
 - Materials & Supplies (outage planning, CMMS responsibility)
 - Predictive Maintenance (procedures and tracking)
5. Management and Union leadership empower and encourage Team Members to resolve any problems or disputes internally that may arise. However, this does not diminish the rights of either the Management or the Union under the collective bargaining agreement, nor does it intend to alter or amend the parties' existing grievance procedure.
6. A Team Consultant will be assigned to each Team. The Team Consultants & Plant Specialists are responsible for, but not limited to, the following duties.
 - Providing resources (training material, assist with parts and supplies)
 - Making emergency decisions if the safety, of personnel, the environment, or the station assets are in jeopardy
 - Coaching and counseling
 - Paperwork, reports, performance statistics, etc. not part of the Team Management System
 - Handling discipline as required
 - Continuous discussions about Team health and career guidance, etc.
 - Provide technical advice and assistance
 - Assisting with on-the-job training
 - Transferring their old roles to the KFAs and incorporate the Team Management System

It is expected that as emergency conditions arise, the Team will look to the Team Consultant for assistance. As time goes on, the Team will handle these situations on their own.

7. With the implementation of the new Skill Qualification Process, it is the responsibility of both the Union and Management Team Members to accomplish this transfer to a multi-skilled work force while still managing the operation and maintenance of the Station. Union and Management support is essential to this process.

Group Leaders

1. Bargaining Unit and Management Group Leaders are selected through a joint selection process. A Member of Management, the Union, and Human Resources Specialist will conduct the selection process.
2. Bargaining Unit Group Leaders will receive an additional \$1/hour above the top Production Team Member wage rate when selected as Group Leaders. This will be utilized until such time as a wage rate can be established by the parties. The represented Group Leaders may work overtime in their respective skill disciplines in cases of emergencies, mandatory overtime for all Team Members, or in cases of "forcing" other Team Members. This list is not all inclusive.
3. Group Leaders will receive performance reviews with input from Management, Union leadership, and the Team on a regular basis.
4. Union Group Leaders will pick their discipline and initially slot in a discipline at the same time as the plant employees that are in the pay for skill model.
5. The Management and Bargaining Unit Group Leaders' duties include, but are not limited to, the following:
 - Develop and provide business and people goals, long term strategies, and objectives to the Team (the Teams will use them to set their own goals)
 - Provide win-win problem resolutions
 - Provide performance data and feedback to the Teams
 - Provide direction to the Team Consultants and Team Leaders
 - The Union Group Leader may still do hands-on work
 - Investigate accidents and safety concerns
 - Implement, support, and facilitate the Team Management System and model partnership behaviors
 - Acquire core competencies, including but not limited to, leadership, business understanding and technical knowledge.

Seniority

1. Production and Support Team seniority will be maintained while employees are participating in the Team concept.
2. System seniority will be maintained as it is presently.

3. Classified seniority will be maintained in the employee's original classification and will continue to accrue after bidding to a Production Team. (This is for the purpose of layoffs or surplus of personnel. Union Group Leaders & Team Leaders fall under the same guidelines as all represented employees. In the event of a layoff or surplus, they fall back to their former classified seniority.)
4. In the unlikely and unforeseen event of a layoff, employees' seniority will be listed in their previously held classification with no break in seniority.
5. The October 11, 1996 contract letter will apply in the case of a declared surplus due to plant or unit shut down.
6. The Production and Support Teams vacations will be selected, as covered by existing contract language, based on system seniority within each individual Team. As long as business needs are met, Teams are responsible for vacation selection with input from the Group Leaders.

Attachments

- A: Fractional Slotting
- B: East Side Welding
- C: Point System

Attachment A

Fractional Slotting ("Grandfathering") of skills 6/2/97

Purpose

The purpose is to determine the objective methodology to employ for fractional grandfathering of skills within a discipline for the initial placement and assessment of skills. The wholesale skill base grandfathering is agreed upon by the Steering Committee and is defined within the Qualification Guidebook. Those former job classifications used for whole skill grandfathering are all inclusive of the relative skills within the new definitions.

Initial Slotting

All existing employees will be initially slotted into the Qualification Program based on their previous job category or discipline and the position or classification they held in that category. They will not be required to test for qualification in the Duty Areas contained in or below the Skill Set into which they are slotted.. The Qualification Handbook contains a slotting chart indicating the initial position for each former classification. No pay adjustment will be made based on this initial slotting.

Fractional Slotting Process

Recognizing that employees can also have unique circumstances in their employment background that may warrant fractional "grandfathering" in some Duty Areas within a Skill Set, without being fully qualified in that Skill Set, a process for requesting "fractional slotting" is available. The process listed below will guide the employee in the application for this Fractional Slotting. The basis for the program is that the employee assumes the responsibility and must request and present valid and objective information supporting their petition for the Fractional Slotting to be approved.

Application and Review Process

1) Initiate Request

The employee will initiate the request for consideration of Fractional Slotting in a Duty Area by presenting a written formal request for review of their specific skill base. This request must include the supporting documentation validating their fractional skill assessment, and be provided to the Review Committee. Consideration for fractional assessment will only be reviewed within their former discipline, unless they have documented, formal working experience in the other disciplines. The requests will be processed on a first come, first serve basis, dependent on the availability of committee Members. Request for Fractional Slotting should be made on a Duty Area level. Request for partial Duty Area Fractional Slotting are discouraged, but will be reviewed on a case by case basis. In most cases, partial Duty Area Slotting will have no affect on the skill testing of the individual. If a full Skill Set is achieved by Fractional Slotting, the Qualification testing process, or a combination of the two, the Team Member will be compensated as agreed to in the Pay for Skill Model.

2) Review Committee

The Review Committee will be formed by:

- One station specific, represented employee, Subject Matter Expert (GLs selected)
- One Power Services Employee Development Specialist
- A Station Manager, or manager designee
- A Facilitator from Change Management (nonvoting)

The committee will review the request and accompanying documentation and based on the objective comparison to the Duty Area tasks, and determine whether Fractional Slotting is warranted. An employee interview is optional, but will be required prior to any rejected request. Employees may waive the interview at any time.

3) Supporting Documentation

The documentation that will be necessary to support the request is dependent on the Duty Area being petitioned. It should include but is not limited to the following:

- The Qualification Guidebook tasks checked off for that Duty Area.
- Temporary promotion time and JR # and what tasks were performed.
- Former Job Duty Checklist of approved tasks qualification.
- Training records or education certificates or diplomas.
- Former direct supervisory letters of recommendation.
- Previous job classification other than most recent.
- Previous employment information.

Upon review, and subsequent approval of the request by the Review Committee for Fractional Slotting, the employee will be placed into the Duty Area approved and will not be required to take any qualification tests associated with that Duty Area. If all of the Duty Areas of a Skill Set are approved, then the employee will be granted Fractional Slotted within that Skill Set.

Employees will be expected to perform any task that they possess the skills to accomplish. Any task they performed in their previous job category, or any task within a Duty Area in which they have received initial slotting or fractional slotting, they will be expected to perform with out temporary upgrade pay. Temporary upgrade pay for all other task will be phased out as agreed upon in the Temporary Upgrade Pay Policy.

There will be a joint Union/Management Team formed in one year to review the Fractional slotting process. At this point the Team will determine if the fractional slotting should be continued.

Skill Development for non-Slotted employees

The employees not receiving Intermediate or Advanced Initial or Fractional Slotting will receive developmental assistance in the Qualification process. This applies primarily to the former Maintenance Third Class Repairer, the former Operations Assistant Auxiliary Operator, and the former Instrumentation and Control Technician III who have been unsuccessful in obtaining Fractional Slotting. This same structure should apply to all employees, but is emphasized with this group due to their current skill and wage levels.

The Power Services Employee Development Specialists will work jointly with the respective Group Leaders, Team Consultants, Team Leader, and the Team's training Key Functional Area representatives to meet with the employee to develop an action plan for the acquisition of skills. The action plan will be based on the Qualification Guidebook content; and will consists of work assignment opportunities, cross-functional training strategies, curriculum availability, and the Team Consultants or Plant Specialists educational coaching and training sessions. The employee, Employee Development Specialist and Training Key Function Area point person are responsible to create the action plan with assistance from these mentioned groups and individuals. The action plan must incorporate the other business demands to maintain a constructive balance within the every day work environment.

Attachment B

EAST WELDING SKILL AGREEMENT WITHIN THE HOLISTIC PAY FOR SKILL MODEL

Multi-Skilled Worker Welding

The following elements of the welding skills Duty Area will be put in place when the multi-skilled work force is established:

- 1) All welding done at ECBU Plants by 1347 represented employees will be done by Qualified welders.
- 2) The welding skills will be divided into two general categories; General and Certified welding. The General welding tasks will require intermediate level skills while the Certified welding tasks will require advanced level skills.
- 3) The Welding skills will be a Duty Area of the Support Team Maintenance Services and the Production Team in the Mechanical discipline.
- 4) Support Team Maintenance Services and Production Team Members are required to Qualify in the General welding tasks.
- 5) The Advanced sections of Cutting and Welding Duty Area are a requirement of the Advanced Mechanical Maintenance Skill Set, however, it will be optional, such that it will be available to all other Team Members, at their choice and the Station's approval, on the Support or Production Teams, regardless of their selected/current Skill Set. Additionally, for existing IBEW 1347 employees, as of May 1, 1997, it will not be required to complete the Advanced sections of this optional Duty Area to qualify in the Advanced Skill Set of Mechanical Maintenance in the pay for skill model.
- 6) To Qualify in Cutting and General welding the employee will be required to pass a written test and up to four performance demonstrations conducted by the Technical Programs group. To complete Certified welding requirements the employee will need to pass up to three written tests and twelve performance demonstrations conducted by the Technical Programs group.

- 7) When an IBEW 1347 employee has been successfully Certified in the Pressure welding and Boiler Tube tasks, they will receive additional compensation in the form of a welding differential (see 1347 Welding Differential, next page). This differential will be added to their current pay level when they are performing the actual Certified Pressure welding or Boiler Tube tasks.
- 8) Once a Team Member has Certified in Advanced welding tasks they will be required to maintain their Certification by welding or demonstration testing every 6 months to retain their Certified status. If a Team Members initially completed this Advanced Duty Area as an option (see #5 above), rather than as a requirement of their Advanced discipline, they retain the option to re-certify, as long as business needs are being met.
- 9) Preference should be given to utilizing available Support Team Certified welders, for pressure piping welding, before a Production Team Certified welder is used to make a certified weld. However, if the use of the Production Team Certified welder will eliminate the requirement to pay overtime compensation, premium pay, or other additional costs, they can and should be utilized to perform the welding.
- 10) A Union/Management Team will address the total number of Certified welders that will be maintained. An initial limit will not be put on how many of these welders may exist at any one time. However, this will be continually reviewed to assess quality control, training requirements, skill maintenance requirements, and overall value added. As such, the total number of Certified welders may be limited if the concerns above are negatively impacted.
- 11) The existing IBEW 1347 Certified Welders wages will be grandfathered and they will pick vacation within their Teams.

Existing IBEW 1347 Certified Welders

Existing IBEW 1347 employees that are in the Certified Welder Classification on May 1, 1997 will be initially Slotted in the Advanced Mechanical discipline of the Qualification Program and may remain as Certified Pressure Piping welders at their option.

These current Certified Welders will be grandfathered at their current pay level until they separate, transfer to a different job, or fail to maintain their certification.

If they fail to maintain their certification they will be red circled until the top wage of the multi-skill Support Team Maintenance Services Team Member equals or surpasses their existing pay level.

IBEW 1347 Welding Differential

Initially the new Welding Differential pay for IBEW 1347 employees will be equal to the differential between the employees present rate of pay and the current Certified Welding top wage rate. This Welding Differential will be paid in addition to the employees present wage, anytime they are being utilized to perform Certified welding.

Production Team and Support Team Maintenance Services Team Members that reach maximum pay for their respective multi - skilled pay for skill models, will still receive this differential above their existing wage rate.

Existing Certified Welders would be compensated at their existing, grandfathered, wage rate. They will receive no additional welding differential.

Additionally, an annual travel bonus, at a rate of \$2/hr, will be paid to all certified welders based on the differential between their travel hours and the travel hours of all Support Team Members who travel.

New Hires

Any new hires entering the Advanced Mechanical skills section of the pay for skill model of Support Team Maintenance Services or Production Team would be expected to achieve the Certified welding as a required skill. This requirement may be adjusted over time to maintain the number of certified welders required to meet the needs of the Business Unit.

Attachment C

Skills Qualification Point System

In order to allow for more flexible navigation through the Skills Qualification Program, a Skills Acquisition Point System has been developed. Originally, the movement through the Pay For Skill Models were based on Skill Set acquisition. The Point System allows a Team Member or Trainee to move through the Pay for Skill Models without requiring complete acquisition of a Skill Set to trigger compensation adjustments. Instead, Team Members earn points for each Duty Area completed, regardless of discipline, thereby obtaining increased compensation while acquiring cross discipline skills.

The following steps were used in the development of a Point System:

1. Each Duty Area, in each Stations customized Skills Qualification Handbook, was assigned a point value based on criticality, difficulty and importance to the Station.
2. An estimated acquisition time (in calendar days) was assigned to each Duty Area in the Skills Qualification Handbooks. (An example would be the Ash Handling System which has an estimated 14 calendar days window to acquire the knowledge and skills. This does not mean it will take 14 days, 8 hours a day to complete this learning, but that it can be accomplished in this window)

3. Each job category (discipline & past position level) was assigned a "Total Points" number based on the points that would be obtained in acquiring all the Duty Areas in their complete Pay For Skill Model.(Refer to attached Single Unit example Chart)
4. Initial Slotting was then applied to the job category. The Initial Slotting point value was subtracted from the Total Points to obtain the "Needed Points" total.
5. The "Needed Points" Duty Areas are sorted first by longest acquisition time (worst case for acquisition) and then by the highest point value (best case for acquisition). Each sort is reviewed to obtain the point totals at the 730 calendar day level. The mean between these two point values is used as the "Two Year Points" total.
6. An estimate of Fractional Slotting potential is then applied to the "Needed Points" Duty Areas. These Fractional Slotting points are added the "Two Year Points" total to obtain the "Total Points to Top Pay" total. If There is no actual Fractional Slotting points acquired by the Team Member the "Total Points to Top Pay" is equal to the "Two Year Points" total. This will ensure Team Members are compensated for Fractional Slotting while still assuring each employee has an individualized "Total Points to Top Pay" level.
7. The "Two Year Points" and the Fractional Slotting Points are subtracted from the "Needed Points" to obtain the "Points Later" total.
8. The "Total Points to Top Pay" is then divided by four to obtain the point levels that trigger compensation adjustments in the Pay For Skill Models.

**Skills Qualification Point System
Example Point System Chart**

DISCIPLINE	TOTAL Pts.	Needed Pts.	FS Pts.	2 Year Points	Pts to Full \$	4 Step Pts	Wage incr./Step	Bonus per Step	Pts Later (\$1000 Bonus)
CO	1728	951	0	631	631	158	0	\$500	320
AO	1728	1151	50	736	786	197	to top 1st step	\$500	365
AAO	1728	1688	433	721	1154	288	25% \$ to top	0	534
SCR	1728	1151	0	736	736	184	25% \$ to top	0	415
SLFIX	1728	1688	144	721	865	216	25% \$ to top	0	823
SLKR	1728	1688	144	721	865	216	25% \$ to top	0	823
IC1	1728	1298	97	656	753	188	to top 1st step	\$500	545
IC2	1728	1498	197	686	883	221	25% \$ to top	0	615
IC3	1728	1688	211	664	875	219	25% \$ to top	0	813
ME1	1728	1139	249	663	912	228	to top 1st step	\$500	228
ME2	1728	1339	349	798	1147	287	25% \$ to top	0	193
ME3	1728	1688	361	759	1119	280	25% \$ to top	0	569
MD1	1728	1196	97	711	808	202	to top 1st step	\$500	388
MD2	1728	1396	247	746	993	248	25% \$ to top	0	403
MD3	1728	1688	288	749	1036	259	25% \$ to top	0	652
IC1 ST	1151	721	97	639	736	184	to top 1st step	\$500	-15
IC2 ST	1151	921	197	642	839	210	25% \$ to top	0	82
IC3 ST	1151	1111	211	636	847	212	25% \$ to top	0	264
ME1 ST	1151	562	249	562	811	203	to top 1st step	\$500	-249
ME2 ST	1151	762	349	698	1047	262	25% \$ to top	0	-285
ME3 ST	1151	1111	361	751	1112	278	25% \$ to top	0	-1
MD1 ST	1151	619	97	642	739	185	to top 1st step	\$500	-120
MD2 ST	1151	819	247	722	969	242	25% \$ to top	0	-150
MD3 ST	1151	1111	288	751	1039	260	25% \$ to top	0	72

- **Total Points = points for the Duty Areas in the station specific Handbook.**
- **Needed Points = Total Points - Initial Slotting**
- **Fractional Slotting Points = Points estimated to be obtainable through FS process**
- **2 Year Points = Points agreed upon to be obtainable in two years from implementation.**
- **Points to full dollars = FS Points + 2 Year Points**
- **Steps for \$ = Points to full \$ divided by 4**
- **Later Points = Points to obtained after reaching top pay.**

Compensation Progression

The compensation trigger points discussed on the previous page will either result in hourly wage adjustments or bonus payouts, depending on the Team Member's position relative to top pay. The far right columns indicate what these adjustments will be.

Administration

As well as being used to trigger compensation adjustments, the points assigned to The Duty Areas will be used to help each Team Member monitor their successful progress through the Skills Acquisition Program. This tracking program will be administered as follows:

1. An average number of annual points will be earned by each Team Member.
2. This average point total will be determined by dividing the "Needed Points" total for each Team Member by five years. **(THIS IS NOT TO IMPLY A FIVE YEAR UP OR OUT PROGRAM FOR THE EXISTING WORK FORCE)**

3. It is expected that, as designed, the Skills Qualification Program can be accomplished in five years. Union and Management Group Leads will monitor each Team Member's progress monthly, so that problems with skills acquisition can be identified in a timely manner. Group Leaders assistance and/or coaching and counseling will be used to resolve failure to obtain the Skills in the expected time frame. If these problems are due to inaccurate time estimates in the design or unavailable testing tools, adjustments can and will be made to the employees Skills Acquisition Plan.
4. During the transition from present state to the fully developed multi-skilled work force, problems may be encountered. If employees aren't keeping pace, or if the company isn't providing needed training opportunities or testing as scheduled, or if time estimates discussed above are off, Management and Union will work together to resolve the issue. Compensation won't be unduly withheld. These situations will be handled on a case by case basis.
5. It is required for all nonexempt Team Members in the Pay For Skill Model to complete the Skills Qualification Program. If warranted, Management will utilize progressive and constructive discipline for failure to participate in the Skills Qualification Program.

Qualification Issues and Review Committee (QUIRC)

A Qualification Issues Review Committee has been formed to monitor and, if required, make adjustments to the Qualification program. This committee is tasked with maintaining a continuous development of the flexible, multi-disciplined work force and making recommendations for program enhancements to the Steering Committee. Members of the committee include management and union Group Leads along with Members of the Employee Development Team and Qualification Program development Team.

AGREEMENT

Between the

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

and

The Cincinnati Gas & Electric Company and
Union Light Heat and Power Company,
as subsidiaries of Cinergy, Corp.

THIS AGREEMENT is entered into between the Utility Workers Union of America, AFL-CIO, IUU Local 600, hereinafter referred to as the "Union," and The Cincinnati Gas & Electric Company and Union Light Heat and Power Company, as subsidiaries of Cinergy, Corp., hereinafter referred to as the "Company," through and by their duly authorized representatives.

WITNESSETH: Whereas, the parties to the Agreement as are mentioned above are desirous of maintaining collective bargaining between the Employer and its Employees, as are represented by the Union as bargaining agent, and are desirous of stabilizing employment, eliminating strikes, lockouts, curtailment of employment, and the peaceful settlement of all employer and employee disputes, and of making an honest effort to improve the conditions of both the employer and the employees.

WHEREAS, it is deemed desirable and necessary that definite operations and practices between the Company and the employees of the Company represented by the Union be formally set forth and described, with a desire that uniformity of working conditions exist between the aforementioned Companies and such employees.

WHEREAS, 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 Cinergy become the lowest cost producer and highest quality provider of energy service.

Employee Representative Team Mission Statement

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Company a participative effort to oversee relationships between Union and Management personnel.
- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.
- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

NOW, THEREFORE, the Company and the Union do hereby agree to the following terms and conditions, to-wit:

ARTICLE I

Section 1.

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(a) The Company hereby recognizes the Union during the term of this Agreement sole and exclusive representative of all regular full-time and part-time employees occupational classifications in the units defined as "The Office, Clerical and Technical Ur "The Residual Unit", as described in the Order issued by the National Labor Relations dated August 12, 1944 and amended by the National Labor Relations Board Order February 24, 1967. The units so defined shall retain jurisdiction over such work as was n performed by them prior to this Agreement but such jurisdiction shall not be expanded ex mutual agreement of the parties hereto or through due processes under the National Labor Relations Act.

(b) The Company recognizes the Union as the sole bargaining agent of the units contained in the preceding paragraph for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, or other conditions of employment, and the Company agrees to attempt to adjust any and all disputes, and any other matters, arising out of or pursuant to this Agreement, with the Union.

(c) This Agreement shall be final and binding upon the successors, assignees or transferees of the Union and the corporate entity of the Company.

Section 2.

(a) The Company agrees not to interfere, restrain, coerce, or discriminate against any of the members of the Union, because of his or her membership in the Union, or because of their activity as a member or officer of the Union. Should reasonable proof of any such interference, restraining, coercion or discrimination by any person in a supervisory capacity against a member of the Union be shown to the Company by the Union, the Company agrees to take immediate corrective action in connection with such complaint. It is further agreed that no member shall be

discharged because of his or her service, or lawful activity as a member of the Union, nor will the Company at any time attempt to discourage membership in the Union.

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

(c) The Union recognizes that the management of the Company, the direction A-9 working forces, the determination of the number of men it will employ or retain in classification, and the right to hire, suspend, discharge, discipline, promote, demote or transfer and to release employees because of lack of work or for other proper and legitimate reasons vested in and reserved to the Company.

(d) The above rights of Management are not all-inclusive, but indicate the type of management 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 expressly and specifically abridged, delegated, granted or modified by this Agreement.

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

Section 3. Respecting the subject of "Union Security," the parties mutually agree as follows:

(a) All regular employees of the Company as of March 31, 2005, 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, 2005, all regular employees of the Company within the bargaining unit represented by the Union who are members of the Union, 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 described in subsection (f) of this Section.

(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 VII of this Agreement.

(d) The Company agrees that after April 1, 2005, and as long as this section of the Agreement shall remain in full force and effect, 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 31 days after being employed in a job classification represented by the Union. During new employee orientation, employees hired into job classifications represented by the Union, shall be required to sign the "Membership Application" and the "Payroll Deduction Authorization" cards for the Union, so that enrollment will be effective 31 days after being hired.

(e) Except for those employees mentioned in subsection (d) of this section and subject to all state and federal laws all employees who are not members of the Union shall be required, as a condition of their continued employment, to pay to the Union a service charge as a contribution towards the administration of the Agreement in an amount equal to the dues uniformly required by Union members.

(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 16th and September 25th inclusive of each year by giving notice by registered mail to the Labor Relations Department of the Company. However, the Union will not impose restrictions, which are prohibited by law, on employees who wish to withdraw from Union membership. The Company will forward a copy of any such withdrawal to the President of the Union. After such withdrawal, an employee shall not be required to rejoin the Union as a condition of continued employment.

(g) The Company agrees to dismiss any employee represented by the Union, at the written request of the Union, for nonpayment 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.

(h) The Company agrees, after receiving proper individual authorizations by means of written individual assignments in a form mutually agreeable to both parties, to deduct Union dues or service charges and initiation fees from employees' pay. This deduction shall be made a mutually agreed upon number of times each year and shall be forwarded to the Treasurer of the Union.

(i) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by any individual employee or group of employees in the bargaining unit represented by the Union this section of the Agreement is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company shall 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 Agreement, 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 Agreement, this Agreement is to be considered a severable agreement. 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 Agreement 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.

Section 4. The Company agrees that it will not attempt to hold the Union financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that, in the event of an unauthorized work stoppage, it will in good faith and without delay exert itself to bring the work stoppage to a quick termination and insist that the employee(s) involved cease their unauthorized activities. To that end the Union will promptly take whatever affirmative action is necessary. Furthermore, the Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Agreement now in effect.

ARTICLE II

Section 1. The Company agrees to designate and authorize a representative A-32 representatives to meet with The General Board of the Union. It is agreed that these meetings shall be held quarterly, at a time mutually agreed upon, and at any other time upon the request of either party to this Agreement. These meetings will be held within seven days such request is made.

Section 2. The Company agrees to meet and confer with any special committee of the Union, duly appointed by the President to administer any activity relating to the welfare of members of the Union.

ARTICLE III

Section 1.

(a) This Agreement and the provisions thereof, shall become effective April 1, 2005 and shall continue in full force and effect until April 1, 2008, 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 A-32 and/or to terminate this Agreement shall notify the other party in writing of the desired changes at least 60 days prior to April 1, 2008 or any subsequent anniversary date. During this 60 day period conferences shall be held by and between the parties hereto, with a view to arriving at a new Agreement, and in all events this Agreement shall remain in full force and effect during the period of negotiations.

(c) In the event agreement is reached on or before April 1, the 2005 - 2008 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 1st day of April and any agreed upon wage adjustments will be made retroactive to the 31st day of March.

Section 2. It is agreed that this Agreement may be amended or added to at any time by the written consent of both parties hereto.

ARTICLE IV

Section 1. The Company agrees to do nothing to encourage an employee to bargain individually.

Section 2. The Company agrees that if a matter rightfully termed a Union activity is referred by an employee to his or her representative or delegate, and this is taken up with the supervisor or any one qualified or authorized to act for the Company, such Company representative shall not initiate, negotiate, or discuss this question with the employee without affording the representative or delegate of the division an opportunity to be present.

Section 3. Departmental supervisory personnel will notify the departmental union delegate when a significant change or condition affecting that department or a work group within A-25 department is contemplated by the management of the particular department. When organizational changes affecting personnel in various departments are contemplated, the Company agrees to notify the Union, in writing, at least fourteen calendar days in advance of change, and, upon written request by the President of the Union, a meeting shall be arranged between the Company and the Union to discuss such changes.

Section 4. Copies of bulletins issued by the Company concerning working conditions for any division or department represented by the Union, shall be forwarded to the General Board of the Union.

ARTICLE V

Section 1. *The principle of seniority is recognized by the Company. There shall be two types of seniority defined as follows:*

1. System service shall be based upon the length of time an employee has been continuously employed by the Company, and shall be the governing factor in establishing vacation dates.
2. Classified seniority shall be the length of time worked by an employee on a specific classified job.

It shall be considered a break in system service and seniority when an employee has been off the Company payroll, except when an employee has:

- (1) Been laid off because of lack of work and has not, at any time during the period of layoff or during a period not to exceed three years from the date of layoff, refused to return to work for the Company in a capacity formerly held or comparable to the capacity formerly held, by the employee. However, actual time away will be

deducted from the employee's system service.

- (2) Been granted a leave of absence for good cause by consent of the Company, without loss of system service and seniority rights, providing the employees are available whenever necessary for the Company's medical examinations during the leave of absence. However, the employees will receive vacation in accordance with the second paragraph of Article IX, Section 5. Requests for leave of absence and consent hereto shall be in writing.
- (3) Entered the military service of the United States or has been conscripted by the United States Government. No deductions for time away shall be made from the employee's system service and seniority record.
- (4) Resigned voluntarily and subsequently been re-hired. Actual time away will be deducted from the employee's system service and seniority record, and, while previous system service shall be maintained, no classified seniority shall be retained.

Existing system service and seniority records shall not be rearranged to meet the above requirements in exceptions (1), (2) and (3), but they shall be met in all cases beginning March 21, 1983.

Section 2.

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(a) Job available postings for job classifications covered by this Agreement shall be provided by the Company and posted for a period of seven calendar days on all bulletin boards in the department or division where the opening exists.

(b) If after the initial posting the job opening has not been filled by a qualified applicant from the department or division, the job available notice will then be reposted for a period of seven calendar days on all bulletin boards throughout the Company where there are employees covered by this Agreement. In certain cases where it is known that there are no qualified applicants within a division or a department, the initial posting may be waived and the job opening will then be initially posted throughout the Company where there are employees covered by this Agreement. However, if applications are received from employees within the department requesting the job opening, these applications will be given consideration before those received from employees in other departments. Furthermore, anytime employees are accepted for a job opening on a lateral or cross bid, they shall not be eligible to laterally or cross bid again for a period of six months from the date of acceptance. The only exception to this six month waiting period is that employees may cross bid to another headquarters within the same bidding area at any time.

(c) In those departments where the multiple posting system is in use, employees are permitted to submit their applications for promotions, lateral bids or cross bids in advance of a job opening according to the multiple posting administrative procedures of the applicable department.

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d) It is agreed that classified seniority will be considered within a department, district or departmental section concerning available advancements, although other qualifications for the particular position will of necessity be considered. All other factors being sufficient, the employee oldest in the point of classified seniority shall be given a reasonable opportunity to qualify for the position.

(e) Should the classified seniority of any two or more employees be equal, the respective seniority position of such employees shall be determined according to the dates of the most recent individual employment application or resume, whichever has the earliest date. If the dates still remain equal, the relative seniority positions shall be determined by lot by the Union and the Company notified of the results, in writing.

In the event no fully qualified individual has bid on a Union wide job opening, the previous experience requirement only will be waived, with the exception of positions within the General Clerical sequence, and an employee will not be disqualified for promotion on the basis of not having passed through a lower job in the promotional sequence if otherwise qualified. Employees who have at least one half of the required previous experience and are in the direct promotional sequence of a job opening, posted Union wide, where previous experience has been waived, will be considered for the job before all other non-qualified employees. Any claim of discrimination in this connection may be taken up by the Union as a grievance. In making promotions to any job outside the bargaining unit, first consideration shall be given A-20 Company to employees with seniority and ability, but it is mutually agreed that seniority shall A-21 be controlling. A-44

(f) An employee may waive his right to promotion, providing such waiver is presented to the Company in writing and does not prevent other employees from acquiring experience on the job held by the employee. When an employee waives his right to promotion, the employee shall be entitled to such promotion, when necessary to fill an open position, and no employees are willing to promote, the Company shall assign the junior qualified employee to promote to the job classification.

(g) If no qualified regular full-time employee has been accepted following the posting procedure and consideration of requests for demotion, second consideration for non-technical job openings shall be given to part-time employees within the bargaining unit based on qualifications as determined by the Company. For technical job openings, the Company will give second consideration to part-time employees with a technical degree and/or technical expertise based on qualifications as determined by the Company. As a result of these determinations if the top two or more part-time applicants have equal assessments, then the non-technical or technical job opening will be offered to the applicant with the greatest system seniority.

(h) Should the job opening not be filled after the posting procedure above, at the discretion of management, consideration may be given to requests for transfer which have been received from employees outside the bargaining unit or may be filled from outside the Company.

(i) If the particular job opening is not filled within 60 days from the expiration date of the bargaining unit-wide posting, the job opening will be reposted in accordance with the job posting procedure outlined above.

~~(j) The job posting procedure outlined above does not restrict the Company's right to cancel a job posting at any time.~~

(k) An employee shall not have seniority rights to bid on a demotion but may, in writing by letter or by submitting a bid for a posted job opening, request consideration for a demotion. However, if an employee's request for demotion is granted by the Company, any accumulated classified seniority will be forfeited in job classifications above the job to which he demotes.

(l) The Company and the Union agree that the job posting procedure will be waived for the employment of Co-ops, as probationary employees in job classifications represented by the bargaining unit, providing that the next opening in the same job classification and bidding area is posted and made available to employees within the bargaining unit. If such opening is not filled by a bargaining unit employee, openings in the same job classification and bidding areas will continue to be posted and made available to employees within the bargaining unit until such time that a bargaining unit employee fills one of the openings.

Section 3.

(a) *In the event of any layoffs or curtailments of employment, rollbacks and layoffs ^{A-49} be made in accordance with system seniority rights. When the Company reduces the number _{A-55} of employees in a job classification, the Company will use the following process to determine rollbacks and layoffs. Employees with the least amount of System Service seniority within the job classification that is targeted for a reduction will be relegated back and be assigned to vacant positions and/or replace full-time employees in the bidding area with the least amount of System Service seniority. Displaced employees must be qualified for the job classification to which they are assigned and the job classification must be within the same bidding area and below their former job classification. Displaced employees will be reclassified into the next lower job classification within their bidding area for which they are qualified, if there are employees in that job classification and they have less system seniority than the displaced employees. Displaced employees will have their wage rates red-circled for a period of 18 months. At the end of 18 months, their wage rates will be reduced to the maximum wage rate of the job classification to which they were reclassified. Displaced employees who are assigned to perform work in lower level job classifications, if qualified, will be reassigned to higher job classifications as they become available within the bidding area, until the displaced employees return to assignments within their former job classification; obtain a job within the bidding area at the same or higher wage level as their former job classification; or, obtain a job in another bidding area. Displaced employees will not be assigned to or be required to perform the duties of job classifications at levels higher than their former job classification. Any employees unable to be assigned to vacant positions and/or replace full-time employees in the bidding area will be subject to layoff.*

Part-time Meter Readers will be laid off before any full-time Meter Readers are rolled back or laid off. The same holds true for part-time and full-time call-takers in the Call Center.

Where multiple part-time employees in a job classification at the same location are scheduled to work a total of 40 or more hours per week, a qualified displaced full-time employee in the same

bidding area may replace the part-time employees by accepting a full-time job at that location, if the department can still schedule straight-time coverage for the required hours.

A full-time displaced employee with at least 15 years of service and subject to layoff, if qualified, will be allowed to displace the employee with the least amount of system seniority outside of the displaced employee's bidding area. Those employees with 15 or more years of service will have their wage rates red-circled for 18 months.

Displaced employees unable to displace full-time employees and subject to layoff, if qualified, will be allowed to replace employees in part-time positions within their bidding area, by accepting the wage rate, benefits, work hours and other terms and conditions of employment of the part-time employee. The two exceptions are Meter Reading and Call Center, where these employees may retain their full-time status and accept the wage rate applicable to new full-time employees in these departments. Full-time employees within the Customer Relations bidding area, but outside the Call Center and Meter Reading Departments, may displace a maximum of 4 part-time employees in each department (i.e. Call Center and Meter Reading) within a 12-month period.

Employees who were rolled back prior to April 1, 2005 and their wage rates are red-circled, will continue to have their wage rates red-circled.

An employee will not have the right to recede to a position within his bidding area that he did not pass through before reaching his present position. For purposes of this section, if an employee is unable to exercise system seniority rights in lower job classifications within his department because he did not pass through those job classifications before reaching his present position, he will be credited with system seniority in all job classifications lower than his initial job within the bidding area which are in the same direct promotional sequence. Under no circumstances may an employee exercise seniority rights outside his own bidding area or in the selection of a specific job within a classification.

(b) In a department where there have been layoffs and a subsequent increase in employment exists within three years, the Company agrees to recall those employees in the department who have suffered a layoff because of lack of employment, in the reverse order of the dates of their layoffs. It is further agreed that the Company will notify the employee or employees, in writing by registered or certified mail, to report back to work. The Company agrees to send a copy of these letters to the Union at the time of the mailing of the original. If they do not report back to work within a fifteen-day period, the Company shall have the right to recall the next employee in line.

(c) It shall be the duty of all employees, including those on layoff status, to have their proper post office address and telephone number on file with their individual departments and the Human Resources Department of the Company.

(d) The Union may designate a witness to tests given in a departmental section A-4 shall have the right to review the results of these departmental tests upon request. This shall not apply to standard tests given by the Staffing Services Division or by outside consultants.

(e) The Company will make an effort to find another job classification for which an employee is qualified if his job is abolished. An employee who, because of this job abolishment, is assigned to a classification having a lower rate of pay, will maintain his existing level of pay.

until the maximum wage rate of the job classification to which he is assigned is equal to his existing wage rate. This provision does not affect the right of an employee to bid on a future posted job opening for which he may be qualified.

Section 4.

(a) *Temporary transfers from one department, district, or departmental section to another will not affect an employee's system service or seniority rank and his record will remain posted in the department, district, or departmental section from which he was transferred.*

(b) Permanent transfers from one department, district, or departmental section to another will not affect an employee's system service or classified seniority, which will be used to determine his system service and seniority rank in his new department, district, or department section. A-2

(c) When an employee has successfully bid on a posted job and his move to the posted job is delayed, consideration shall be given to the proper adjustment of the employee's seniority rank so that the employee will not be penalized with respect to future promotions. The employee will receive a seniority date and the wage rate of the job on which he has been accepted no later than the beginning of the third week after the employee is notified that he has been accepted for the new job.

Section 5.

(a) *All new employees shall be classed as probationary for a period of one year and shall have no system service or seniority rights. After one year's service as a probationary employee, they shall be reclassified and their system service and seniority record shall include their previous employment as a probationary employee.*

Section 6. Temporary employees shall be those hired for a specific job of a limited duration not to exceed six months unless agreed upon by both parties, and shall not acquire system service or classified seniority rights. The Union shall be notified of the hiring of such employee. A-6

Section 7.

(a) Part-time employees shall be those hired to perform a continuing specific requirement that is temporary in nature or less than 40 hours per week. Part-time employees only be used for part-time applications in order to supplement the regular full-time work unless otherwise agreed. While the intention is for part-time employees, who are non-temporary in nature, to be regularly scheduled to work less than 32 hours per week, the actual hours worked may be greater due to temporary operational needs or trading of hours with other employees. The departments utilizing part-time employees will develop schedules to be worked by such A-45
A-48
A-53

personnel. However, schedules for part-time employees may at times vary according to work needs. These employees will work in bargaining unit positions and will be paid the minimum wage rate for the job classification or at a specially negotiated rate. They shall not acquire classified seniority rights. Part-time employees may be laid off for any reason without recall rights. Such layoffs shall not be subject to the grievance procedure. Benefits for part-time employees shall be on a pro rated basis as agreed to by the parties.

(b) Part-time employees may request consideration for other part-time openings and may submit applications for openings in regular full-time positions. When part-time employees become full-time employees they shall be credited with system service for the length of time they were employed by the Company as a part-time employee on or after January 1, 1996.

(c) The overtime provisions of this Agreement including meal compensation, will only apply to part-time employees when they work in excess of their regular scheduled hours per day or eight hours per day, whichever is greater. Part-time employees will not be called out for overtime assignments unless all full-time available employees have been called. The total number of part-time employees, excluding those hired to perform a continuing specific work requirement that is temporary in nature, will not exceed 25% of the total number of full-time employees performing work represented by the Union.

ARTICLE VI

Section 1. The parties hereto recognizing the importance of safety projects and regulations for the protection of the health, life and limb of all employees, agree to make all reasonable efforts to maintain such rules and regulations conducive to the health and safety of all concerned. The Company will notify the Union leadership of any work related accident resulting in the hospital admission or death of any employee in the bargaining unit.

ARTICLE VII

Section 1. Any dispute or disagreement arising between an employee and the Co A-18
or the Union and the Company may become the subject of a grievance. However, with r A-32
to any claim or dispute involving the application or interpretation of an employee wel
pension (includes defined benefit and 401(k) plans) plan, the claim or dispute shall
resolved under the grievance procedure outlined herein, but instead, shall be resol
accordance with the terms and procedures set forth in the relevant plan document. Additi
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. Recognizing the
importance of resolving disputes or disagreements in a peaceful and timely manner, grievances
shall be processed in accordance with the following procedure:

1st Step

An employee 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 20 days of its occurrence or 20 days from the time the employee or the Union became aware of the occurrence. The initial meeting shall be held between the supervisor(s), the employee involved and the elected union representative or delegate. 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.

2nd 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.

3rd 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 written response will be sent by certified mail, return receipt requested.

In the case of a discharge, the Union may bypass the first step of the grievance procedure and submit a written grievance requesting a second step grievance meeting, within ten days following the date of discharge.

Arbitration

Section 2.

(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 sole use of the arbitrator. 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. 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 VIII

Section 1.

(a) The parties hereto agree that the wage rate schedules in effect immediately prior to the execution of this Agreement shall be amended as follows:

MAXIMUM WEEKLY OR HOURLY WAGE RATES

	<u>As of April 3, 2005</u>	<u>April 4, 2005</u>	<u>April 3, 2006*</u>	<u>April 2, 2007**</u>
Non-Manual (Clerical) Maximum Wage Rates				
	Base Increase	2.5%	2.5%	2.5%
N1	\$454.80	\$466.00	\$477.60	\$489.60
N2	\$503.20	\$515.60	\$528.40	\$541.60
N3	\$562.00	\$576.00	\$590.40	\$605.20
N4	\$562.00	\$576.00	\$590.40	\$605.20
N5	\$602.80	\$618.00	\$633.60	\$649.60
N6	\$659.20	\$675.60	\$692.40	\$709.60
N7	\$659.20	\$675.60	\$692.40	\$709.60
N8	\$731.20	\$749.60	\$768.40	\$787.60
N9	\$782.00	\$801.60	\$821.60	\$842.00
N10	\$840.40	\$861.60	\$883.20	\$905.20
N11	\$840.40	\$861.60	\$883.20	\$905.20
N12	\$876.00	\$898.00	\$920.40	\$943.60
N13	\$915.20	\$938.00	\$961.60	\$985.60
N14	\$949.20	\$972.80	\$997.20	\$1,022.00
Meter Reader Maximum Wage Rates				A-48
MR1	\$14.00	\$14.35	\$14.71	\$15.08

As of
April 3, 2005 April 4, 2005 April 3, 2006* April 2, 2007**

Non-Manual (Clerical) Maximum Wage Rates

	Base Increase	2.5%	2.5%	2.5%
MR2	\$567.60	\$581.60	\$596.00	\$610.80
MR3	\$665.60	\$682.40	\$699.60	\$717.20
MR4	\$789.60	\$809.20	\$829.60	\$850.40
MR5	\$849.20	\$870.40	\$892.00	\$914.40
MR6	\$15.00	\$15.38	\$15.76	\$16.15

Customer Projects Resource Specialist Maximum Wage Rate A-21

A5	\$990.40	\$1,015.20	\$1,040.40	\$1,066.40
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Call Center Maximum Wage Rates A-53

C1	\$19.66	\$20.15	\$20.65	\$21.17
C2	\$14.00	\$14.35	\$14.71	\$15.08
C3	\$14.00	\$14.35	\$14.71	\$15.08
C4	\$12.00	\$12.30	\$12.61	\$12.93

Manual Maximum Wage Rates

	Base Increase -	3%	3%	3%
	\$505.20	\$520.40	\$536.00	\$552.00
	\$527.20	\$543.20	\$559.60	\$576.40
	\$600.80	\$618.80	\$637.20	\$656.40
M4	\$632.40	\$651.20	\$670.80	\$690.80
	\$660.40	\$680.40	\$700.80	\$722.00
M5	\$678.80	\$699.20	\$720.00	\$741.60
PJ	\$708.00	\$729.20	\$751.20	\$773.60
M9	\$758.40	\$781.20	\$804.80	\$828.80
	\$788.40	\$812.00	\$836.40	\$861.60
MA & MB	\$822.80	\$847.60	\$873.20	\$899.20
M7 & MD	\$869.20	\$895.20	\$922.00	\$949.60
	\$888.40	\$915.20	\$942.80	\$971.20
	\$938.00	\$966.00	\$994.80	\$1,024.80

Technical Maximum Wage Rates

	Base Increase -	3%	3%	3%
T1	\$686.40	\$706.80	\$728.00	\$750.00
T2	\$750.00	\$772.40	\$795.60	\$819.60
T3	\$832.00	\$856.80	\$882.40	\$908.80
T4	\$890.80	\$917.60	\$945.20	\$973.60
T5	\$957.20	\$986.00	\$1,015.60	\$1,046.00
T6	\$999.20	\$1,029.20	\$1,060.00	\$1,092.00
T7	\$1,040.80	\$1,072.00	\$1,104.00	\$1,137.20
T8	\$1,079.60	\$1,112.00	\$1,145.20	\$1,179.60
T9	\$1,110.80	\$1,144.00	\$1,178.40	\$1,213.60

Manual Maximum Wage Rates

Customer Projects	Coordinator	Maximum Wage Rates			A-44
CP1	\$21.31	\$21.95	\$22.61	\$23.29	
CP2	\$25.13	\$25.88	\$26.66	\$27.46	
CP3	\$30.63	\$31.55	\$32.50	\$33.48	

*The wage increases listed in this column will be further increased (decreased) by 1 cent per hour 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, 2005 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 3, 2006, July 3, 2006, October 2, 2006, and January 1, 2007, based on the indexes of January 2006, April 2006, July 2006, and October 2006, respectively.

**The wage increases listed in this column will be further increased (decreased) by 1 cent per hour 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, 2006 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 2, 2007, July 2, 2007, October 1, 2007, and December 31, 2007, based on the indexes of January 2007, April 2007, July 2007, and October 2007, respectively.

(b) These wage rate increases shall not apply to the minimum wage rates of starting job classifications.

(c) The wage increases mentioned above shall not apply to any employee whose present wage rate is on or above the new maximum wage rate of his job classification, except employees who are on physical retrogressions, who shall receive the increase applicable to their individual wage rate as of the indicated dates of increase.

(d) Manual employees shall be provided the higher of a \$10.00 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. Clerical and Technical employees shall be provided the higher of a \$10.00 promotional increase 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 classification is not at least \$10.00 above the maximum wage rate of the job classification from which it promotes.

(e) Whenever the difference between the minimum and maximum wage rates of a job classification is not divisible by \$4.00, the intermediate wage rates will be by \$4.00 steps, with the exception of the last step to the maximum wage rate of the job. In such case the increase to the maximum wage rate will include the \$4.00 increment plus the odd amount necessary to equal the maximum wage rate, provided, however, that the total amount of this increase is less than \$4.00.

(f) Any employee in the Union who was on or below the maximum wage rate of his job classification as of the indicated dates of increase shall receive the increase applicable to the maximum wage rate of his job classification.

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

Shift Differential		Shift Differential Cents Per Hour			
Name of Shift	Definition of Shift	Current	04/04/05	04/03/06	04/02/07
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	0	0	0	0
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight	Full-time \$1.30	\$1.35	\$1.40	\$1.45
		Part-time \$0.86	\$0.90	\$0.93	\$0.96
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	Full-time \$1.35	\$1.40	\$1.45	\$1.50
		Part-time \$0.93	\$0.97	\$1.00	\$1.03

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

Sunday Premium	Full-time \$1.50	\$1.55	\$1.60	\$1.65
	Part-time \$1.06	\$1.10	\$1.13	\$1.16

(h.) The nature of the work involved under each payroll classification shall be defined as nearly as possible, by the Company and occupational classifications and job descriptions shall be prepared by the Company and be subject to review by the Union. A-40

(i.) The Job Evaluation Committee of the Company will be responsible for evaluating new or revised job classifications. The evaluation established by this Committee will be used to determine the maximum wage rate for each new or revised job classification. Results of the evaluation will be communicated to the Union at least two weeks before the effective date of the new or revised job classification. A-21
A-38
A-41
A-44

new or revised job classification.

(j.) The Union shall appoint a Classification Committee consisting of not more than five members who may review the evaluation and wage rate of any new or revised classification. The Union's Committee may, by request, meet with the Company's Committee as soon as possible at a mutually agreeable time, but within 30 days after the Union has been notified by the Company of the proposed new or revised classification, for the purpose of presenting any information relative to the evaluation of a new or revised classification. The Union will be notified after the Company's Committee has reviewed the information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached.

(k) When the Union believes that a new or revised job description does not adequately describe the principal duties and minimum qualifications necessary to provide a sufficient basis for evaluating that job description, a letter outlining the Union's suggested changes may be sent to the management of the appropriate department for consideration. However, 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.

(l) Where the Union deems an employee to be improperly classified, it will be considered as a grievance and shall be handled under the grievance procedure described elsewhere in this Agreement.

Section 2.

(a) With the exception of shift differential premium, and a holiday occurring during an employee's vacation, it is agreed that under no circumstances shall any Section of this 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 employees may receive payment for another benefit. For example, employees may not 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.

ARTICLE IX

Section 1. 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 pay day following the date such employee becomes eligible.

(b) After a part-time employee with twelve months of service or a full-time 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 pay consisting of up to 26 weeks of pay per incident with payment based on the schedule below or until the employee is able to return to work, whichever occurs first.

Effective January 1, 2006 for employees hired on or after January 1, 2006 and effective January 1, 2007 for all other employees, the administration of short-term disability compensation for employees will be administered over a two-year period for the purposes of calculating weeks at 100% of pay. Multiple occurrences of STD in a rolling 24-month period will be paid 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%. Any other qualifying STD absences during the rolling 24-month period would be paid at 66 2/3%.

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

Section 2. No wages will be paid for illness caused by illegal use of drugs, intoxication, willful intention to injure himself or others, elective or cosmetic procedures not covered by the medical plan, for the employee's refusal to adopt such remedial measures as may be commensurate with the employee's disability or permit such reasonable examination or inquiries by the Company as in its judgment may be necessary to ascertain the employee's condition. A-50

Section 3. It is also mutually understood and agreed that the Company shall have the right to investigate and determine for its own satisfaction the bona fide nature of any illness for which pay is requested as well as the duration thereof. In order to facilitate the scheduling of the work forces, employees who will be absent from work are expected to notify the Company as soon as possible, but not later than one hour after their regular starting times and in the case of shift

workers, one hour before the start of their shifts. Unless an employee submits a legitimate excuse for not reporting the cause of absence before the end of the first hour of such absence, the employee's claim for sick leave pay shall not begin until such notice is received.

Section 4. When employees have received all of the disability pay to which they are entitled under this Agreement they shall be granted, upon written request on a form provided by the Company, a "leave of absence" and shall not be eligible for further disability pay benefits until they have returned to steady employment. A-5

Section 5. A-52

(a) An employee accrues entitlement of 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 or absence. Any employee leaving the Company's service during any calendar year shall receive payment for any unused portion of accrued vacation for that current year. However, in the event of an employee's death, the estate of the employee will be paid the unused portion of the employee's total vacation allotment for the current year.

Employees returning from military service will receive vacations with pay in the calendar year in which they return as follows:

Month in which employee returns to Company's employment	Amount of vacation based on system service of employee
Up to and including June	Full
July, August and September	One-Half
After September	None

(b) In order for an employee to qualify for a vacation, the employee must have been ready, willing and able to work as a full-time regular or probationary employee during the calendar year the vacation is taken.

(c) The anniversary of employment shall determine the employee's vacation status. Every effort will be made to grant vacations at a time suitable to the employee, but should the vacation of an employee handicap the operations of the Company in any way, the Company reserves the right to require the vacation be taken at another time. Normally, preference shall be granted in the selection of vacation dates on the basis of system service. A-1
A-8

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

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

(f) Employees with seven or more years of service with the Company shall be entitled to a vacation of three weeks. Should the amount of work or other working conditions be such that the operations of the Company would be handicapped by granting of the third week of an employee's vacation, the Company reserves the right to require an employee to take his third week of vacation at such time that does not interfere with the operations of the Company.

(g) Employees with 15 or more years of service with the Company shall be entitled to a fourth week of vacation or payment of one week's wages (40 hours) at straight time in lieu thereof. The Company may also require such employees to take the fourth week of their vacation at such time as does not interfere with the operations of the Company.

(h) Employees with 21 or more years of service with the Company shall be entitled to a fifth week of vacation or payment of one week's wages (40 hours) at straight time in lieu thereof. The Company may also require such employees to take the fifth week of their vacation at such time as does not interfere with the operations of the Company.

(i) Employees with 34 or more years of service with the Company shall be entitled to a sixth week of vacation or payment of one week's wages (40 hours) at straight time in lieu thereof. The Company may also require such employees to take the sixth week of their vacation at such time as does not interfere with the operations of the Company.

(j) The eligibility requirement for six weeks of vacation will be reduced from 34 years of service to 32 years of service beginning in January 2006. This additional week of vacation entitlement will automatically be added to the employee's Retirement Vacation Bank for years 32 and 33 (Employer Service Credit), unless the maximum of 22 weeks has already been banked. If an Employee already has 32 or 33 years of service on January 1, 2006, the Employee's Retirement Vacation Bank will be credited with a one-time, additional one or two weeks of vacation, respectively. An Employee with over 34 years of service on January 1, 2006, will receive a one-time Employer Service Credit of two weeks to their Retirement Vacation Bank.

If an Employee with 32 or 33 years of service has personal needs that would require the Employee to use one of the Employer Service Credits as an additional week off, the Employee must request the approval of his supervisor when the employee submits a vacation schedule at the beginning of each year. Employer Service Credits, if approved and used as time off, must be used in whole week increments and will not be included in final average pay for pension purposes.

ARTICLE X

Section 1. Regular employees entering the armed services of the United States or employees who are conscripted by the United States Government during a period of national emergency shall continue to accumulate full system service and full seniority and may return to their former position or one of equal pay and rank, provided they report for work with a certificate of satisfactory completion of military or governmental service within 90 days after their release from active service.

Section 2.

(a) All Company Group Life Insurance carried by employees entering the military service will be canceled the first of the month following the beginning of the employee's leave of absence

unless the employee requests to continue his insurance coverage for an additional period of time up to a maximum of 90 days after his leave of absence begins.

(b) Company Group Life Insurance of employees returning to Company service within 90 days after their release from active service will be reinstated without physical examination or waiting period.

Section 3. None of the foregoing provisions in this Article shall apply to those employees who are not eligible for statutory re-employment rights.

ARTICLE XI

Section 1.

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

<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 either celebrating that holiday on another date which is consistent with community practice or paying eight hours of regular straight time holiday 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 scheduled to work on a recognized holiday will be paid at time and one-half for the first eight hours worked in addition to their straight time holiday pay. However, those employees who work less than the eight hours scheduled will have their straight time holiday pay correspondingly reduced.

(d) Regular employees who are called out to work on a recognized holiday for a period of four hours or less not contiguous with hours worked into or out of the holiday will be paid 1 A-11 hours at time and one-half in addition to their straight time holiday pay. Employees who are out to work on a recognized holiday for more than four hours not contiguous with hours into or out of the holiday but less than eight hours will be paid for eight hours at time and one-half in addition to their regular straight time holiday pay. Employees who are required to work more than eight hours on a recognized holiday will be paid at the rate of double time for all such excess of eight hours. An employee must work either his full scheduled day before, or full scheduled day after a holiday to be entitled to receive holiday pay. An employee will not be compensated for travel time on a call-out which occurs on a regular holiday.

(e) When a holiday falls within an employee's vacation, the employee shall, at the discretion of the Company, either be allowed an additional vacation day at such time in the same year as shall be mutually agreed upon between the employee and his supervisor or shall receive eight hours additional pay to compensate for the loss of such holiday pay.

(f) An employee beginning a leave of absence will not receive holiday pay for holidays occurring after the last day worked except when the employee works the full calendar day immediately before a recognized holiday which is in the same pay period.

Section 2.

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(a) An employee who has completed six months of service with the Company shall be entitled to four compensated personal days off and one compensated Diversity day of each calendar year. Requests for personal/Diversity days must be made at least seven calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a seven calendar-day notification may be approved by an employee's supervisor. Arrangements for all personal/Diversity 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/Diversity day is not used during a year, it shall be lost and no additional compensation shall be granted. Any employee discharged from the Company for any reason shall not receive compensation for any remaining personal/Diversity days.

(b) The administration of personal/Diversity days shall be the same as vacation days with the exceptions as outlined in paragraph (a) above and that retiring employees will not receive any pay for personal/Diversity days except those not used in the calendar year they retire.

ARTICLE XII

Section 1.

(a) It is agreed that the present establishment of 40 hours per week of the Company will remain in effect, except in those divisions where longer or shorter hours are now being worked, and the Company guarantees employment of not less than 40 hours per week for 52 weeks of each year to all employees represented by the Union as bargaining agent, who are available and ready to work, and who are regular full time employees of the Company, except those on a less than 40 hour basis now. No such employees shall be required to work more than 40 hours in any

one week, consisting of seven days, nor more than eight hours in any one day except as hereinafter provided.

(b) Nothing in this section will affect in any manner the right of the Company to make temporary or permanent reductions in forces when considered necessary by the Company.

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

Section 2.

(a) The work week of an employee for payroll purposes and for determining off-day consist of seven consecutive days with a minimum of two scheduled off days and b midnight Sunday to midnight the following Sunday. Employees working on a shift beinni hours or less before midnight will be considered as having worked their hours following mid

A-12
A-17
A-47

(b) Regular scheduled hours of work per day will be at straight time for regular sch work days, time and one-half for the employee's first scheduled off-day in the work week, time for the employee's second scheduled off-day in the work week and time and one-half additional scheduled off-days in the work week. Any time in excess of the employee's regular scheduled hours per day will be paid at the rate of time and one-half except the employee's second scheduled off-day worked which will be paid at double time.

(c) 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.

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

(e) In no case will an employee be forced to take time off in lieu of overtime pay. 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. When overtime occurs in a group or department, where more employees are qualified and available to work than are necessary at the moment, the Company agrees to establish a system of selecting the employees who are to work, in a sincere effort to equalize overtime work. The employees will be notified in advance, whenever possible, when they are required to work overtime.

Section 3.

(a) The Union recognizes the need for shift work and weekend work in order to provide for continuous operation, and overtime rates will apply as set forth in Article XII, Section 2.

(b) An employee who is transferred from his regular shift to another shift shall be not A-13 said transfer at least 24 hours prior thereto.

Section 4.

(a) Employees called out for other than planned overtime shall be paid a minimum of four hours at the appropriate overtime rate. Travel time of one-half hour each way will be allowed on a call-out when such call-out exceeds four hours of continuous work that is not contiguous with a regular scheduled shift. Employees will not be compensated for any travel time for planned overtime; or 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.

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

Section 5.

(a) Employees working two hours or more in excess of their normal work day, shall receive a meal, or compensation in lieu thereof, and an additional meal, or compensation in lieu thereof, after each additional five hours of continuous overtime work over and above the original two hours mentioned above.

(b) Employees called out on either their scheduled off day, or four or more hours before his regularly scheduled starting time, shall be furnished a meal, or compensation in lieu thereof, for each contiguous five hour interval worked even though he works into his regularly scheduled work day.

(c) The meal compensation allowance referred to above shall be as follows:

Effective	Effective
04-03-06	04-02-07
\$9.75	\$10.00

Section 6. It is further agreed by the Company that any manual employee temporarily advanced to a higher classification shall receive the minimum rate of pay applicable to that classification if such work is for four hours or more. If such work is for more than four hours the employee shall receive the minimum rate of pay applicable to that classification for the remainder of the normal day worked. 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 90 consecutive days.

Section 7.

(a) Employees in this bargaining unit temporarily assigned to a supervisory position outside the bargaining unit for four hours or more, shall receive \$1.25 per hour above the maximum rate of pay of either their job classification, or the highest rated job classification they supervise,

whichever is greater. Effective April 3, 2006, the temporary supervisor upgrade premium will be increased to \$1.50 per hour.

(b) Employees promoted to a job outside the bargaining unit and who return to the bargaining unit within nine months, shall retain all classified seniority accumulated up to the date of their promotion. If employees who were in a job outside the bargaining unit for more than nine months, return to the bargaining unit, they will be placed in a starting job classification and receive a classified seniority date behind all employees. No employee may return to a bargaining unit job classification, if as a result, an employee represented by the Union would be laid off.

ARTICLE XIII

Section 1.

(a) The Company agrees that upon his or her return to work from illness or disability, consideration will be given to the employee's physical condition, and, if possible, a less vigorous type of work will be granted at no reduction in the employee's regular pay for a temporary period to be determined by the employee's and the Company's physicians.

(b) If an employee with 25 or more years of service becomes physically unable to satisfactorily and safely perform the regular duties of his classification, an effort will be made by the Company to find work of a less strenuous nature for which he is qualified and to which the employee will be retrogressed. The employee's wage rate will be reduced by \$4.00 per week at the time of the assignment to a job of a lower classification and at six months' periods will be reduced by \$4.00 steps until the employee's wage rate is equal to the maximum wage rate of the job classification to which he has been retrogressed.

(c) If an employee with 20 to 24 years of service becomes physically unable to satisfactorily and safely perform the regular duties of his job classification, he may request a demotion to a lower classification requiring work of a less strenuous nature for which he is qualified to perform. If such a demotion is granted by the Company, the employee will be assigned to a lower classification and will have his wage rate red-circled until it is equal to the maximum wage rate of the job classification to which he has been demoted. Employees whose wages have been red-circled and who subsequently achieve 25 years of service will become retrogressed in accordance with paragraph (b) above.

(d) If an employee with less than 20 years of service becomes physically unable to satisfactorily and safely perform the regular duties of his job classification, he may request a demotion to a lower classification requiring work of a less strenuous nature for which he is qualified to perform. If such a demotion is granted by the Company, the employee will be assigned to a lower classification and will have his wage rate established at the maximum wage rate of the job classification to which he has been demoted.

Section 2. Injured employees who are 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 the initial seven calendar day waiting period and will continue for not more than 26 weeks of continuous disability. If, however, an industrial accident disability continues for two or more weeks

the employee will receive this supplemental industrial accident compensation for the initial seven day waiting period.

Section 3. 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 the employee is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two days following the funeral. No pay will be granted for regular scheduled off days.

<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	7	5
Mother	7	5
Father	7	5
Brother	7	5
Sister	7	5
In-laws (father, mother, brother sister, son or daughter)	5	3
Grandchild	5	3
Grandparent/Spouse's Grandparent	4	2

If an employee has reported to work and is notified of a death in the family and leaves the job, the day will not be charged as one of the consecutive working days for which the employee is entitled to receive regular pay.

ARTICLE XIV

Section 1. The Company agrees to erect bulletin boards at locations to be selected by the Union and the Company. The use of these boards is restricted to the following: notices of Union meetings, notices of Union elections, notices of changes within the Union affecting its membership, and any other notices issued on the letterhead of the Union and signed by the President and Secretary of the General Board. There shall be no other general distribution or posting by the members of the Union of pamphlets, or political literature of any kind, except as herein provided.

ARTICLE XV

Section 1. Any member or members not to exceed three members elected or employed by the Union whose duties for the Union require their full time shall be granted a leave of absence by the Company for six months and additional six months' periods thereafter, providing that each member is from a different promotional sequence or that the Company has granted permission for two 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.

ARTICLE XVI

Section 1.

(a) The Company agrees to notify the Union of the contemplated hiring of any outside contractors to do work normally performed by regular employees covered by this Agreement. Such notification will be given if it is contemplated that the work will be in excess of 2,000 man-hours.

(b) It is the sense of this provision that the Company will not contract/outsouce 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 2.

(a) Each employee shall have a specific headquarters for reporting for work. However, the right of the Company to effect transfers and reassignments 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 further from their home than their headquarters, these employees will be paid mileage at the prevailing rate based on 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. Employees reassigned (non-temporary assignment) to a different headquarters will be paid mileage compensation during the first fourteen calendar days of the reassignment.

(c) When an entire work group is assigned to a new headquarters, paragraph (b) of this Article shall not apply.

(d) 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.

(e) 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. An option to the mileage provision is that employees may, during a job site reporting assignment, pick up and return a Company vehicle to their regular headquarters, provided travel is on their own time.

ARTICLE XVII

Section 1. Witness Fees. Regular pay and reasonable or required expenses will be allowed employees who may be summoned or requested to testify for the Company.

Section 2.

(a) Employees required to serve on a jury shall be compensated on the basis of their regular salary. Employees must report to work during the working hours when they do not need to be present for jury duty.

(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 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.

ARTICLE XVIII

Section 1. Retirement Income Plan:

(a) Employees represented by the Union are entitled to the benefits of the Retirement Income Plan as contained in the Company's publication "Cinergy Corp. Union Employees' Retirement Income Plan," with the latest amended date of January 1, 2003.

(b) In consideration of the additional benefits incorporated in the Retirement Income Plan, the parties to this Agreement agree that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Agreement which becomes effective on April 1, 2005.

ARTICLE XIX

Section 1. The Company will provide each employee with Term Life Insurance in the amount of two times the employee's straight time annual salary.

ARTICLE XX

Section 1.

(a) Health Care coverage will consist of alternative medical and dental plans. In 2006 ^{A-42} and 2008, Employees will pay 12.5%, 15% and 15% respectively, of the total regular premium ^{A-54} furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder.

(b) The Company's part of the premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such a contract immediately prior to their sickness or industrial accident.

ARTICLE XXI

Section 1. The level of benefit coverage within the medical, dental, flexible spending ^{A-54} accounts, basic and additional life, long term disability, and pension plans will substantially equivalent to the coverages mutually agreed upon during negotiations.

ARTICLE XXII

Section 1.

(a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as "Cinergy Corp. Union Employees' Savings Incentive Plan", hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication "Cinergy Corp. Union Employees' Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive 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 Savings Incentive 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 Savings Incentive Plan.

IN WITNESS WHEREOF, the Utility Workers Union of America, AFL-CIO, IUU Local 600, Cincinnati, Ohio and The Cincinnati Gas & Electric Company and Subsidiaries do hereby, by their duly authorized agents, execute and sign this Agreement in duplicate on this 11th day of July, 2005.

FOR THE UNION

James Anderson
Lori Stamper
Patty Memering
Phillip Malone
Larry Miller
Walt Dobbins
Dianna Grimes
Mike Hiltenbeitel
Randy Darby
Donald Opatka
Ken Wallace
Bill Haubner
Dave Schuck

FOR THE COMPANY

THE CINCINNATI GAS & ELECTRIC COMPANY
AND SUSIDIARIES

Michael J. Cyrus
 Frederick J. Newton
 Timothy J. Verhagen
 Caryn J. Riggs
 John E. Polley
 Patrick P. Gibson

APPENDIX A

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

<u>Document Number</u>	<u>Document Date</u>	<u>Article</u>	<u>Subject</u>
<u>A-1</u>	12/22/1971	IX, 5(c)	Vacation Selection
<u>A-2</u>	7/16/1974	V, 4(b)	Inter-department Transfers
<u>A-3</u>	3/28/1977	V, 2(c)	Multiple Posting System in Property Department
<u>A-4</u>	3/28/1977	V, 3(d)	Testing Procedures When Employees Promote
<u>A-5</u>	4/10/1986	IX, 4	Leaves of Absence
<u>A-6</u>	4/18/1989	V, 6	Hiring Co-ops - Union Notification
<u>A-7</u>	4/18/1989	V, 2(c)	Multiple Posting System - Electric Operations
<u>A-8</u>	4/18/1989	IX, 5(c)	Partial Day Vacations
<u>A-9</u>	4/18/1989	I, 2(c)	Falsification and Tampering with Company Records
<u>A-10</u>	3/14/1991	V, 2(b)	Job Enrichment
		VIII, 1(e)	
<u>A-11</u>	4/16/1992	XI, 1(d)	Holiday call-out
<u>A-12</u>	4/16/1992	XII, 2(a)	Flextime
<u>A-13</u>	4/16/1992	XII, 3(b)	24 Hour Notice - Change of Shift
<u>A-14</u>	4/16/1992	I, 1(a)	Reorganization of Distribution Operations Division
<u>A-15</u>	4/16/1992	XVI, 2(b)	Out-of-town Work or Training
<u>A-17</u>	4/16/1992	XII, 2(a)	4-10 hour day fact sheet
<u>A-18</u>	4/16/1992	VII, 1(a)	Personal Attorneys
<u>A-19</u>	5/26/1994	I, 1(a)	Collecting Funds by Field Personnel
<u>A-20</u>	7/19/1994	V, 2(e)	Gas Operations Trainer
<u>A-21</u>	1/11/1998	V, 2(e)	Customer Projects Resource Specialist
		VIII, 1(a)	
		VIII, (l)	
		VIII, 1(i)	
<u>A-25</u>	5/29/2002	IV, 3	Notice of Organization and Working Condition Changes
<u>A-30</u>	5/29/2002	V, 2(a)	Journey Person Job Sequence
<u>A-32</u>	5/29/2002	II, 1	Time Off for Union Duties/Business
		III, 1(b)	
		VII, 1(a)	

<u>Document Number</u>	<u>Document Date</u>	Article	<u>Subject</u>
		VII, 2(b)	
<u>A-38</u>	9/2/1998	VIII, 1(i)	BOGAR Job Evaluation System
<u>A-39</u>	12/5/2000	V, 2(a)	Decentralization of Order Completion Work
		VIII, 1(h)	
		VIII, 1(i)	
<u>A-40</u>	12/29/2000	VIII, 1(e)	Manual, Clerical and Technical Job Classifications
		I, 1	
<u>A-41</u>	5/14/2003	VIII, 1(i)	Disconnect Non-pay, Succession and Special Reads
<u>A-42</u>	6/10/2004	XX, 1(a)	Post-Retirement Medical
<u>A-43</u>	11/9/2004	V, 2(a)	New Service Contact Center Job Postings
<u>A-44</u>	2/2/2005	V, 2(e)	CPC Letter
		VIII, 1(a)	
		VIII, 1(i)	
<u>A-45</u>	04/21/2005	V, 7(a)	Gap Update Letter
<u>A-46</u>	04/21/2005	XII, 6	Temporary Upgrading in Clerical and Technical Jobs
<u>A-47</u>	04/21/2005	IX, 2(a)	Consecutive Off Days
<u>A-48</u>	04/21/2005	V, 7(a)	East Meter Reading
		VIII, 1(a)	
<u>A-49</u>	04/21/2005	V, 3(a)	Interplant Seniority Rights
<u>A-50</u>	04/21/2005	IX, 2	Treatment for Substance Abuse
<u>A-51</u>	04/21/2005	XI, 2(a)	Personal/Diversity Day Requests
<u>A-52</u>	04/21/2005	IX, 5(a)	Vacation Carryover
	04/21/2005	V, 7(a)	
<u>A-53</u>		VIII, 1(a)	East Call Center
	04/21/2005	XX, 1(a),	
<u>A-54</u>		XXI, 1	Medical and Dental Benefits
<u>A-55</u>	04/21/2005	V, 3(a)	Job Elimination Situations
<u>A-56</u>	04/21/2005	V,2(a)	Redeployment

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Click on article below to review.

[Article I – Purpose/Responsibilities](#)

[Article II – Recognition of Union](#)

[Article III – Recognition of Management](#)

[Article IV – Union Security/Check Off](#)

[Article V – Classification/Wages](#)

[Article VI – Seniority](#)

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[Article XVIII - Duration](#)

[Appendix A – Historical Sidebar Documents](#)

This Contract, dated January 1, 2002, is agreed upon between The Cincinnati Gas & Electric Company and subsidiaries (The Union Light, Heat and Power Company and the Lawrenceburg Gas Company) hereinafter referred to as the "Company", and the United Steelworkers of America, hereinafter referred to as the "Union".

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

EMPLOYEE REPRESENTATIVE TEAM MISSION STATEMENT

The Employee Representative Team (ERT) is recognized as a Union/Management partnership whose joint mission is to:

- Make labor relations at the Cincinnati Gas and Electric Company a participative effort to oversee relationships between Union and Management personnel.
- Work toward the dissemination of information necessary to make decisions, manage changes, and move decisions to the most effective level possible.
- Develop a total commitment from each Employee to improve the working environment and support the organization's efforts to prosper and grow.

WITNESSETH: It is mutually agreed as follows:

ARTICLE I - PURPOSE AND RESPONSIBILITIES

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

Section 2. (a) It is expressly understood and agreed that the services to be performed by the employees covered by this Contract pertain to and are essential to the operation of a public utility and to the welfare of the public dependent thereon and in consideration thereof, as long as this Contract and conditions herein be kept and performed by the Company, the Union agrees that under no conditions and in no event, whatsoever, will the employees covered by this Contract, or any of them, be called upon or permitted to cease or abstain from the continuous performance of the duties pertaining to the positions held by them under this Contract. The Company agrees on its part to do nothing to provoke interruptions of or prevent such continuity of performance of said employees, insofar as such performance is required in the normal and usual operation of the Company's property and that any difference that may arise between the above-mentioned parties shall be settled in the manner herein provided.

(b) The Company agrees that it will not attempt to hold the Union financially responsible or institute legal proceedings against the Union because of a strike, slowdown or work stoppage not authorized, abetted or condoned by the Union. The Union agrees that, in the event of an unauthorized work stoppage, it will in good faith and without delay exert itself to bring the work stoppage to a quick termination and insist that the employee(s) involved cease their unauthorized activities. To that end the Union will promptly take whatever affirmative action is necessary. Furthermore, the Union agrees that any employee or employees who agitate, encourage, abet, lead or engage in such a strike, work stoppage, slowdown or other interference with the operations of the Company shall be subject to such disciplinary action as the Company may deem suitable, including discharge, without recourse to any other provision or provisions of the Contract now in effect.

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

ARTICLE II - RECOGNITION OF THE UNION

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

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

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

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

LOCAL UNION 12049

REGULATED BUSINESSES

- Gas Operations
 - Construction & Maintenance
 - Corrosion Control
 - Systems Operations
 - Production - Gas Plants

BILLING & METERING SERVICES

- Service Delivery
 - Meter Operations

LOCAL UNION 5541-06

REGULATED BUSINESSES

- Gas Operations
 - Construction and Maintenance
 - Systems Operations
 - Production - Gas Plant

BILLING & METERING SERVICES

- Service Delivery

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

(e) There shall be no discrimination, interference, restraint or coercion by the Company or the Union or their agents against any employee or officer of the Union because of race, color,

religion, sex, disability, national origin or ancestry or for any other reason. References to the masculine gender are intended to be construed to also include the feminine gender whenever they appear throughout the Contract.

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

ARTICLE III - RECOGNITION OF MANAGEMENT

Section 1. (a) The Union recognizes that the management of the Company, the direction of the working forces, the determination of the number of employees it will employ or retain in each classification and the right to hire, suspend, discharge, discipline, promote, demote or transfer, and to release employees because of lack of work or for other proper and legitimate reasons are vested in and reserved to the Company.

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

ARTICLE IV - UNION SECURITY AND CHECK-OFF

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

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

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

(d) The Union agrees that any present or future employee who is now or may become a member of the Union may withdraw from membership in the Union between December 15 and December 31, inclusive, of each year by giving notice of this desire to do so by registered or certified mail to the Labor Relations area of the Company. After such withdrawal an employee shall not be required to rejoin the Union as a condition of continued employment.

(e) The Company, for all employees in the bargaining unit who have furnished the Company with voluntary check-off authorization cards, shall deduct from those employees' pay each week, dues or service charges and promptly remit the same to the International Secretary-

Treasurer of the Union on a monthly basis. The initiation fee of the Union shall also be deducted and remitted to the International Union.

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

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

(h) The Union agrees that in the event of any strike, work stoppage, slowdown, picketing or any other interference to the work or the operations of the Company by any individual employee or group of employees in the bargaining unit represented by the Union, this section of the Contract is then and there and by reason thereof automatically canceled and of no further force and effect; provided, however, that the Company may upon the presentation of proof satisfactory to the Company, within 10 days thereafter, that the Union did not directly or indirectly authorize, permit, endorse, aid or abet said strike, work stoppage, slowdown, picketing or interference referred to, reinstate this section of the Contract, which section, if reinstated will, from and after the date of reinstatement, be of the same validity, force and effect as if it had not been canceled. In this connection, it is the expressed intention of the parties that for the purpose of making this cancellation provision effective without affecting the other sections of the Contract, this Contract is to be considered a severable Contract. Should the automatic cancellation of this section occur, it is the intention and agreement of the parties that all other sections and provisions of the Contract remain in full force and effect as therein provided.

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

ARTICLE V - CLASSIFICATION AND WAGES

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

MAXIMUM HOURLY WAGE RATES						
	As of	Effective	Effective	Effective	Effective	Effective
Wage Level	May 12, 2002	May 13, 2002	May 19, 2003*	May 17, 2004**	May 16, 2005***	May 15, 2006****
1	\$15.22	\$15.68	\$16.15	\$16.63	\$17.13	\$17.64
2	15.53	16.00	16.48	16.97	17.48	18.00
3	15.77	16.24	16.73	17.23	17.75	18.28
4	16.46	16.95	17.46	17.98	18.52	19.08
5	17.61	18.14	18.68	19.24	19.82	20.41
6	18.10	18.64	19.20	19.78	20.37	20.98
7	18.80	19.36	19.94	20.54	21.16	21.79
8	19.77	20.36	20.97	21.60	22.25	22.92
9	20.36	20.97	21.60	22.25	22.92	23.61
10	20.64	21.26	21.90	22.56	23.24	23.94
11	21.61	22.26	22.93	23.62	24.33	25.06
12	22.67	23.35	24.05	24.77	25.51	26.28
13	23.83	24.54	25.28	26.04	26.82	27.62
14	24.16	24.88	25.63	26.40	27.19	28.01
15	24.50	25.24	26.00	26.78	27.58	28.41
16	25.20	25.96	26.74	27.54	28.37	29.22

Level 5 - Construction Assistant, Mechanic III (incumbent); Level 6 - Meter Specialist III; Level 7 - Gas Systems Operations Mechanic III, Mechanic Operator III, Premise Mechanic; Level 8 - Gas Plant Operator III; Level 10 - Mechanic; Level 11 - Gas Plant Operator II, Meter Specialist II; Level 12 - Gas Systems Operations Mechanic II, Mechanic Operator II, Senior Mechanic; Level 13 - Service Mechanic "B", Welder II, Gas Plant Operator I, Meter Specialist I, Tool Repair Specialist; Level 14 - Welder I; Level 15 - Gas Systems Operations Mechanic I, Mechanic Operator I, Service Mechanic "A"; Level 16 - Inspecting Mechanic.

* 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 November, 2002 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 May 19, 2003, August 18, 2003, November 17, 2003, and February 16, 2004, based on the Indexes of February 2003, May 2003, August 2003 and November 2003, 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 November, 2003 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 May 17, 2004, August 16, 2004, November 15, 2004, and February 14, 2005 based on the Indexes of February 2004, May 2004, August 2004 and November 2004, 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 November, 2004 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 May 16, 2005, August 15, 2005, November 14, 2005, and February 13, 2006, based on the indexes of February 2005, May 2005, August 2005 and November 2005, 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 November, 2005 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 May 15, 2006, August 14, 2006, November 13, 2006, and February 19, 2007 based on the Indexes of February 2006, May 2006, August 2006 and November 2006, 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.

(b) Any employee in the bargaining unit represented by the Union who was on or below the maximum hourly wage rate of his job classification on May 14, 2002, shall receive an hourly increase in accordance with the increase applicable to the maximum wage rate of his job classification in accordance with the provisions of the Contract.

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

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

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

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

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

Name and Definition of Shift		Shift Differential Cents Per Hour				
		Current	05/13/02	05/19/03	05/17/04	05/16/05
05/15/06						
Day Shift	Where the majority of the scheduled hours worked are between 8:00 a.m. and 4:00 p.m.	0	0	0	0	0
0						
Afternoon Shift	Where the majority of the scheduled hours worked are between 4:00 p.m. and 12:00 Midnight	\$1.20	\$1.25	\$1.30	\$1.35	\$1.40
\$1.45						
Night Shift	Where the majority of the scheduled hours worked are between 12:00 Midnight and 8:00 a.m.	\$1.25	\$1.30	\$1.35	\$1.40	\$1.45
\$1.50						

Sunday Premium

When the majority of the regularly scheduled hours in a shift are on Sunday, a premium amount will be paid as follows:

Current	05/13/02	05/19/02	05/17/04	05/16/05	05/15/06
\$1.35	\$1.40	\$1.45	\$1.50	\$1.55	\$1.60

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

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

shall have an opportunity to submit written comments regarding the duties of the job to the Company's Evaluation Committee. There will be no recourse to the grievance and arbitration procedure because of the language of a job description or the evaluation of a job classification.

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

(k) The Union shall maintain a Classification Committee consisting of not more than five members who may review the evaluation and wage rate of any new or revised classification. The Union's Committee may, by request, meet with the Company's Committee as soon as possible at a mutually convenient time, but within 30 days, after the Union has been notified by the Company of the proposed new or revised classification for the purpose of presenting any information relevant to the evaluation of the new or revised classification, which has been included in the previous written comments of the Union representative. The Union will be notified after the Company's Committee has reviewed the information presented by the Union. All wage rates so established shall be final and binding and not subject to the grievance and arbitration procedure. However, if any revised wage rates are reduced as a result of the evaluation(s), they will not be placed into effect until the Company and the Union have had an opportunity to negotiate them during full contract negotiations, even though the revised job classification will be in effect. Employees, presently in, or promoting to, such job classifications will continue to receive wage adjustments in accordance with the other provisions of the Agreement just as if the wage rate had remained at the same level until a new Agreement is reached.

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

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

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

Section 2. (a) No employee shall regularly be called upon to perform work beyond the scope of his classification. Employees temporarily advanced to a higher classification for four hours or more in any one day shall receive either the minimum rate of pay applicable to that classification or 25¢ per hour above the maximum wage rate of their job classification, whichever is greater, but no more than the maximum wage rate of the job to which the employee is upgraded. Employees temporarily assigned to a job scaled at a lower rate of pay than their own shall not suffer financially through such a transfer.

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

(c) When an employee covered by this Contract is temporarily assigned to a supervisory position he shall be paid 50¢ per hour above the maximum rate of pay of the highest rated job classification in his promotional sequence if such work is for one hour or more.

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

ARTICLE VI - SENIORITY

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

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

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

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

(e) All new employees shall be classed as probationary employees for a period of one year and shall have no system service and seniority rights during that period. After one year of continuous service as probationary employees, such employees shall be classified as regular employees and their system service and seniority record shall include their previous employment as probationary employees. The Company shall have the right to lay off or discharge probationary employees and there shall be no responsibility for reemployment of such employees after they are discharged or laid off during the probationary period. No unqualified probationary employee shall act as a second employee in any two-employee crew in the Construction and Maintenance or Systems Operations Sections.

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

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

LOCAL UNION 12049

REGULATED BUSINESSES

Gas Operations
Construction & Maintenance
Cincinnati District
Kentucky District
Corrosion Control
Cincinnati District
Systems Operations
Cincinnati - Kentucky District
Production - Gas Plants
Cincinnati - Kentucky District

BILLING & METERING SERVICES

Service Delivery
Cincinnati District
Kentucky District
Measurement Center
Cincinnati District

LOCAL UNION 5541-06

REGULATED BUSINESSES

Gas Operations
Construction & Maintenance
Systems Operations
Production - Gas Plant

BILLING & METERING SERVICES

Service Delivery

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

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

(d) When an employee who has been assigned to a job classification not bargained for by the Local Union returns to a job classification in which he has classified seniority, his classified seniority will be adjusted to a date that is one day less than the classified seniority date of the employee with the least classified seniority in the job classification within the District to which the employee is assigned.

Section 3. (a) An employee who has satisfactorily met all the requirements for entrance into a job classification shall be given a period of 30 days in which to master the new assignment. If, at the end of such period, the employee is unable to fulfill the assignment, he shall be restored to his previous position and previous classified seniority rank.

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

(c) When a permanent promotion is to be made to a job classification bargained for by the Union, a notice of the opening shall be posted by the Company on all bulletin boards for two weeks. A copy of these notices will be mailed to the Presidents of the Local Unions. The period of posting may be reduced to seven days provided that any employees with greater classified seniority who may be off duty during the entire seven-day posting period are notified of the posting by a copy of the posting notice mailed by registered or certified mail to their home address on record in Human Resources.

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

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

(f) When a posted opening cannot be filled from among the qualified employees in the Seniority District in which the opening exists, the opening will be filled from qualified employees

from other Seniority Districts within the Section. When the opening cannot be filled from within the Section, the opening will be filled in accordance with the appropriate provisions of this Contract.

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

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

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

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

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

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

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

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

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

Section 7. (a) Layoffs and demotions shall be made on the basis of classified seniority. Reassignments shall also be made on the basis of classified seniority and sufficient qualifications. In case of layoff an employee shall have the right to be returned to any job classification

previously held by him in the course of his employment with the Company if his classified seniority is sufficient to qualify him for such job. An employee, however, shall not have the right to be demoted or assigned to any job classification which he has not previously held but will be given consideration by the Company for a Mechanic III position, at the maximum rate, before new employees are hired. Such an employee's classified seniority as a Mechanic III would be the same as the employee's system service.

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

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

ARTICLE VII - HOURS OF WORK

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

(b) It is recognized that shift work is essential for employee groups covered by this Contract, in order to provide for continuous operation and service. However, insofar as possible, day work shall prevail. Where shift work is necessary, the Union and the Company shall cooperate in providing the necessary manpower, with the required ability, to fill day, afternoon, and night as well as weekend work schedules.

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

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

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

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

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

10 hour schedule, the first 10 hours of work per day will be at straight time for regular scheduled work days, double time for the employee's second consecutive scheduled off-day and time and one-half for all other scheduled off-days. Any time in excess of 10 hours per day will be paid at the rate of time and one-half except the employee's second consecutive scheduled off-day worked which will be paid at double time.

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

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

(j) When overtime occurs within a job classification where more employees are qualified and available to work than are necessary at the moment, the Company agrees to maintain a system of selecting the employees within the job classification at each headquarters who are to work, in a sincere effort to equalize overtime work. The employees will be notified in advance, whenever possible, when they are required to work overtime.

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

(l) A call-out shall be defined as notice to report for unscheduled work given to an employee by telephone or messenger after he has left his headquarters or place of reporting or in case of an off-day, after what would have been his scheduled hours on that day.

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

(n) Travel time of one-half hour each way, at the appropriate overtime rate of pay, will be allowed on a call-out when such call-out exceeds four hours of continuous work that is not contiguous with a regularly scheduled shift. Employees will not be compensated for any travel time on a call-out which occurs on a regular holiday or when the employee is not released from work before his regularly scheduled shift, nor will travel time be allowed when overtime is worked continuously at the end of a regularly scheduled shift.

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

ARTICLE VIII - WORKING CONDITIONS

Section 1. CHANGE IN SCHEDULE: (a) Each employee shall have a specific hour for reporting for work, and shall be entitled to not less than 24 hours notice of any change.

Employees, whose schedules are changed to include an off day on the next succeeding day, shall receive such notification within 15 minutes prior to or after the start of their regularly scheduled hours of work on the day previous to such a change.

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

Section 2. TRANSFERS AND REASSIGNMENTS: (a) Each employee shall have a specific headquarters for reporting for work. There shall be no unreasonable, disciplinary or discriminatory transfers, but the right to the Company of effect transfers, reassignments and logical site reporting to properly run its business is recognized. The Company will discuss transfers, reassignments and logical site reporting in advance with representatives of the Union except in instances where the employees with the least classified seniority are selected or where the employees volunteer. Employees may be assigned to report to a logical site reporting location for any assignment expected to be a minimum of three days.

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

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

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

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

(f) Employees may be assigned to drive Company vehicles from and to the job site from home or sites close to home. If Company vehicles are used in such a manner the mileage provisions for logical site reporting are not applicable. An option to the mileage provision is that

employees may, during a logical site reporting assignment, pick up and return a Company vehicle to their regular headquarters, provided travel is on their own time.

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

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

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

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

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

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

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

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

(d) In deciding what work shall be contracted by outside forces the Company will take into consideration the necessity of meeting the completion requirements of the work in order that the

service needs of the customers may be met. The Company will make reasonable efforts to utilize our normal working force where possible to do this work.

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

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

Effective	Effective
05/17/04	05/15/06
\$9.50	\$9.75

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

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

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

Section 10. PAYDAYS: Paydays shall continue as at present, i.e., one each calendar week. Employees on a volunteer basis may elect direct deposit. Employees hired on or after January 1, 2006 will be required to use direct deposit. Checks will be directly deposited into one or more bank accounts employees shall designate and authorize. All employees that have direct deposit shall receive a printed paper copy of their check stub at their workplace.

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

Section 12. JOB ABOLISHMENT: Should an employee have his job abolished, an effort will be made by the Company to find another job classification for which the employee is qualified. An employee assigned to a job of a lower classification as a result of his job being abolished will

maintain his present hourly rate until the maximum hourly wage rate for the job classification to which he has been assigned is equal to the employee's present hourly rate or until he qualifies and receives a promotion.

Section 13. GENERAL ILLNESS: (a) Regular employees who are actively working on January 1, regular employees who return to work from an authorized extended absence on or after January 1, probationary employees who become regular employees on or after January 1, shall be paid as gross wages, for absent time due to bona fide illness or injury, a maximum annual amount equal to 40 hours at their regular Straight Time Pay. Such payment shall be made by the Company on the nearest practicable regular pay day following the date such employee becomes eligible.

(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 pay consisting of up to 26 weeks of pay per incidence with payment based on the schedule below or until the employees is able to return to work, whichever comes first. During the seven consecutive calendar day waiting period, it is intended that no employee will incur a loss of more than five scheduled days of straight time pay.

Effective January 1, 2006, for employees hired on or after January 1, 2006 and effective January 1, 2007 for all other employees, the administration of short-term disability compensation for employees will be administered over a two-year period for the purposes of calculating weeks at 100% of pay. Multiple occurrences of STD in a rolling 24-month period will be paid 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%.

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

(d) Compensation will not be provided for illnesses resulting from such causes as: illegal use of drugs, intoxication, willful intention to injure oneself, the commission of a crime, elective or cosmetic procedures not covered by the medical plan, the employee's refusal to adopt such

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

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

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

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

Section 14. HOSPITAL AND MEDICAL PLANS: (a) Health Care coverage will consist of alternative medical and dental plans. Beginning January 1, 2006, employees will pay 12.5% of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. Beginning, January 1, 2007, employees will pay 15% of the total regular premium furnished by the carrier for the medical and dental coverage they select, with the Company paying the remainder. The Company's part of the above premium will continue to be paid while an employee is receiving illness or accident compensation provided the employee was covered by such a contract immediately prior the employee's sickness or industrial accident.

(b) The Union and the Company agree that no other Hospital or Medical Plans will be put into effect in the bargaining unit represented by the Union without prior agreement with the Union.

(c) Employees are eligible for Post-Retirement Medical Benefits in accordance with the terms of letter from the Company to the Union dated April 4, 2005.

Section 15. INSURANCE: The Company will provide each employee with Term Life Insurance in the amount of two times the employee's straight time annual salary.

Section 16. INDUSTRIAL ACCIDENTS: An injured employee who is unable to work because of an industrial accident will be paid a supplement in an amount equal to 100% of their weekly wage (40 hours), less the state mandated compensation. This supplemental industrial accident compensation will begin after an initial seven calendar day waiting period and will continue for not more than 26 weeks of continuous disability. However, if an industrial accident disability continues for 14 or more calendar days, the employee will receive this supplemental industrial accident compensation for the initial seven day waiting period.

Section 17. INCLEMENT WEATHER: The Company will not require employees to work out of doors in heavy or continuous storms or excessively cold temperatures in exposed locations, unless such work is necessary to conform to the law or applicable regulations, to protect life, property, or to guarantee service to the customers. Employees covered by this Contract shall not

be required to lose time due to such weather conditions, but the Company may provide work indoors or under adequate shelter at their regular rate of pay.

Section 18. Upon the death of the designated relatives of an employee, the employee, upon request, may be entitled to the stipulated maximum number of calendar days off for which he is entitled to receive regular pay for not more than the indicated number of consecutive working days, including the day of the funeral. If prior arrangements are made, an employee may include a maximum of one day following the funeral as one of the consecutive working days off, and in the case of a spouse, child, mother, father, brother or sister, two days following the funeral. No pay will be granted for regular scheduled off days.

<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	7	5
Mother	7	5
Father	7	5
Brother	7	5
Sister	7	5
In-laws (father, mother, brother sister, son or daughter)	5	3
Grandchild	6	4
Grandparent/Spouse's Grandparent	4	2

If an employee has worked four hours or more and is notified of a death in his family, and leaves the job, the day will not be charged as one of the consecutive working days. If, however, he has not worked four hours, the day will be charged as one of the consecutive working days for which he is entitled to receive regular pay.

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

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

(b) Except as it may conflict with other provisions of this Contract, the President, Vice President, Recording Secretary, and elected Grievance Committee men shall not be required

to work regular afternoon and night shifts. However, not more than two employees from each headquarters may exercise this privilege.

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

Section 22. PERSONAL DAY: (a) An employee who has completed six months of continuous service shall be entitled to four compensated personal days off each calendar year. Requests for personal days must be made at least seven calendar days prior to the date requested and must be approved by management. However, because of extenuating circumstances, a day off with less than a seven calendar day notification may be approved by an employee's supervisor. Arrangements for all personal days must be made with supervision on or before November 1 of each year or it shall be lost. The Company reserves the right to limit the number of employees who can be off on a specific day. If a personal day is not used during a year, it shall be lost and no additional compensation shall be granted.

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

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

ARTICLE IX - ADMINISTRATION AND GRIEVANCE ADJUSTMENT

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

(b) If an employee, after consulting with the immediate supervisors, feels that a grievance exists, the avenue of grievance adjustment shall be: first, between the employee and the officially designated steward, and the foreman or supervisor; second, between the employee, the officially designated steward, and, at the discretion of the Union, a representative of the Union Grievance

Committee, and the Departmental Section Management; third, between members of a Union Grievance Committee consisting of not more than five** members and the Department Management; fourth, between the Union Grievance Committee, Agents of the Union and officials of the Company. The Recording Secretaries for the Local Unions may also attend third and fourth step grievance meetings. If a satisfactory settlement cannot be reached before the third step of the procedure outlined above, the grievance shall be reduced to writing by the Union.

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

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

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

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

ARTICLE X - ARBITRATION

Section 1. (a) In the event that a mutually agreeable settlement of differences arising out of this Contract between the Company and the Union be impossible and either party to the Contract desires to submit such differences to arbitration, that party shall notify the other party, in writing, of the issues to be arbitrated and at the same time also name its arbitrator. The other party shall name its arbitrator within five days after receiving such notice from the other party requesting arbitration of the issue, or issues, specified in the request for arbitration. The two arbitrators thus named shall meet within 10 days in an attempt to settle the issue, or issues, referred to them. If the two arbitrators do not reach a settlement these two arbitrators shall endeavor to agree on a third and neutral arbitrator. If no agreement can be reached within five days on the selection of the third arbitrator the parties shall jointly request a list of names of persons eligible to act as a third arbitrator from the Director of the United States Mediation and Conciliation Service. In the event of the failure of the two arbitrators to select the third arbitrator from said list of eligible persons, the two arbitrators shall jointly apply to the Director of the United States Mediation and Conciliation Service for an additional list of names of persons eligible to act as a third arbitrator. In the event of the failure of the two arbitrators to select the third arbitrator from the second list of eligible persons, the two arbitrators, beginning with the Union arbitrator, shall cross off names in turn until only one remains, whereupon the remaining name shall be acceptable to both parties as the neutral arbitrator and chairman of the Arbitration Board.

(b) The three man arbitration board shall be allowed a reasonable time after hearings to announce a decision and the decision of the majority of the members of the three man arbitration board shall be final and binding upon both parties. During the period of arbitration and while the terms of this Contract are in full force and effect there shall be no strikes, lockouts, interference with or interruption to the services of the Company.

(c) In case of arbitration each party shall bear the expenses of its own arbitrator. The expenses of the neutral arbitrator and other joint expenses shall be shared equally by the Company and the Union.

ARTICLE XI - DISCIPLINE AND DISCHARGE

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

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

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

ARTICLE XII - HOLIDAYS

Section 1. (a) The following days are observed as regular holidays which will be recognized on the indicated dates. The Company may change the date for recognizing a holiday if the date indicated is changed by a legislative enactment or if the prevailing community practice is not consistent with the indicated date.

<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 hours of regular straight time pay in lieu thereof for the holiday.

(c) Regular employees whose duties do not require them to work on holidays will be paid eight hours straight time holiday pay provided the employees have worked their scheduled day before, or his scheduled day after the holiday. Employees who are on a four day-10 hour schedule will receive 10 hours of straight time pay if a holiday falls within their regular scheduled work week but they are not required to work the holiday, provided the employees have worked

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

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

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

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

(g) Construction work shall not be performed by employees on Labor Day except that which is necessary to protect life, property, or continuity of service.

ARTICLE XIII - VACATIONS

Section 1. (a) Every effort will be made to grant vacations at a time suitable to the employee, but should the number leaving on vacation in any one period handicap the operations of the Company, the Company reserves the right to limit the number receiving vacations. Preference for vacations shall be granted within a classification at a headquarters on a system service basis.

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

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

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

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

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

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

(6) Employees with 32 or more years of service with the Company shall be entitled to a six week vacation or, if required to work by the Company, payment of one week's wages (forty hours at straight time) in lieu thereof for the sixth week if the employee has attained at least 34 years of service. The sixth week of vacation prior to 34 years of service will automatically be deposited in the employee's vacation bank and is intended for banking purposes unless specifically approved for time off by supervision.

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

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

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

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

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

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

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

ARTICLE XIV - NATIONAL DEFENSE

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

(b) The Company in recognition of service rendered to the Nation, agrees to restore all employees to their former positions, except those dishonorably discharged, who notify the Company within the time specified by applicable legislation of their desire to return to work. An employee who leaves the Service ill, injured or unable to work shall retain all rights of his former job until he is able to work. An injured, weakened or partially disabled employee shall be offered light duty, if he is physically able to perform such work. All Company Group Life Insurance carried by employees entering the Service will be cancelled 90 days after employee enters such service, and will be reinstated without physical examination or waiting period upon the employee returning to work. Any advance premium paid by employees beyond the date of cancellation will be refunded to the employees.

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

ARTICLE XV - DEPARTMENT STEWARDS

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

ARTICLE XVI

Section 1. RETIREMENT INCOME PLAN: (a) The Retirement Income Plan which includes the changes as required by appropriate federal legislation and regulation governing such plans as amended effective January 1, 1999.

(b) In consideration of the additional benefits incorporated in the Retirement Income Plan, the parties to this Contract agree that the Company will not reduce the benefits and the Union will not request any change in the Retirement Income Plan until the expiration of the Contract in effect on May 15, 2007.

Section 2. SAVINGS INCENTIVE PLAN: (a) The Company agrees to establish and maintain an employee savings plan, subject to the provisions of the appropriate federal legislation and regulation governing such plans, to be known as the "Cinergy Corp. Union Employees' Savings Incentive Plan" for non-exempt employees, hereinafter called the "Savings Incentive Plan".

(b) The Savings Incentive Plan is contained in the Company's publication the "Cinergy Corp. Union Employees Savings Incentive Plan", which includes highlights of the Plan, complete text of the Plan, and complete text of the Trust Agreement.

(c) The Company hopes and expects to continue the Savings Incentive 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 Savings Incentive 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 Savings Incentive Plan.

ARTICLE XVII - INTERRUPTION OR PYRAMIDING BENEFITS

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

(b) It is further agreed that there shall be no interruption in the payment of one benefit in order that the employee may receive payment for another benefit. For example, no employee may interrupt his vacation to begin sick leave or interrupt his sick leave to include a holiday. The only exceptions to the provision are that an employee's sick pay may be interrupted to include vacation pay and that vacation pay may be interrupted to include death in family pay as set forth in the Contract. In the event of a death of a relative as defined in Article VIII, Section 18 occurs after the start of an employee's vacation, any compensable bereavement time off under the Contract would interrupt the vacation and replace the unused planned vacation days. The rescheduling of the unused vacation days interrupted by the death must be approved in advance by supervision and shall not impact normal administration of vacation in one-day increments as provided in Article XIII, Section 1(i).

ARTICLE XVIII - DURATION

Section 1. (a) The Contract shall become effective as of January 1, 2002, and all the provisions thereof shall continue in full force and effect until May 15, 2007, and thereafter for successive three year periods unless one of the parties hereto on or before the 60th day next preceding any contract anniversary date shall notify the other party hereto, in writing, of its desire to modify or terminate the same.

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

(c) On or before May 15, 2007, this Contract may be extended by mutual agreement of the parties for a specific number of calendar days. If a tentative agreement on the terms of a new Contract has been reached on or before May 15, thereafter the Union shall have one-half of the specified number of days in which to submit the Contract to its membership for ratification and in case of failure to ratify, in order that the Company shall have the remaining one-half of the specified number of days as notice before a work stoppage occurs.

IN WITNESS WHEREOF, The United Steelworkers of America, AFL-CIO-CLC on behalf of Local Unions 12049 and 5541-06, and The Cincinnati Gas & Electric Company and Subsidiaries, do hereby, by their duly authorized agents, in the premises, execute and sign this 2002-2007 Contract in duplicate this 30th day of January, 2003.

THE CINCINNATI GAS AND ELECTRIC COMPANY
Cincinnati, Ohio

James L. Turner
Executive Vice President, Cinergy

John C. Procaro
Vice President and Chief Operating Officer, Regulated Business Unit

L. C. Randolph, Jr.
Vice President, Gas Operations

Patty Walker
Vice President, Billing & Metering Services

Timothy J. Verhagen
Vice President, Human Resources

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

**UNITED STEELWORKERS OF AMERICA,
AFL-CIO-CLC**

INTERNATIONAL

Leo W. Gerard
President

James D. English
Secretary/Treasurer

Andrew Palm
Vice President - Administration

Leon Lynch
Vice President - Human Affairs

David McCall
Director, District 1

Eldon House
Staff Representative

David W. McLean
Staff Representative

LOCAL UNION

Kevin M. Adkins
Michael R. Blum
Doug Helsinger
Fred Johnson
Michael W. McAlpin
Scott A. Newkirk
Gary Tuttle
John Waits
Joseph R. Williams

IN WITNESS WHEREOF, The United Steelworkers of America, AFL-CIO-CLC on behalf of Local Unions 12049 and 5541-06, and The Cincinnati Gas & Electric Company and Subsidiaries, do hereby, by their duly authorized agents, in the premises, execute and sign this 2002-2007 Contract in duplicate this 30th day of January, 2003.

THE CINCINNATI GAS AND ELECTRIC COMPANY
Cincinnati, Ohio

James L. Turner
Executive Vice President, & CEO, RBU

John C. Procaro
Vice President & CEO, RBU

L. C. Randolph, Jr.
Vice President, Gas Operations

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Appendix A

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

<u>A- Docs. #</u>	<u>CLAUSE</u>	<u>ISSUE</u>	<u>DATE</u>
A-1	Article VIII, Section 8	Witness Pay for Criminal Cases	06/11/73
A-2	Misc	Customer Service Route Bidding	06/11/73
A-3	Article VIII, Section 2	Reassignment of Employees in Supply, Production and Control of Gas Operating	06/11/73
A-4	Article VII, Section 1	Continuity of Work and Overtime	07/05/79
A-5	Article VIII, Section 13	One-time Use of Sick Pay for Chemical Addiction Rehab.	07/05/79
A-6	Article VIII, Section 13	Provide Union List of Employees Off Work for Illness	07/05/79
A-7	Article VIII, Section 17	Inclement Weather	07/05/79
A-8	Article VII, Section 1	Inspecting Mechanic Job Class – No Shift Rotation	05/17/82
A-9	Article VIII, Section 13	Employee Notification of Absence Expectations	05/24/85 (05/18/76)
A-10	Article XII, Section 1	No Holiday Pay Eligibility for Unavailability	05/24/85
A-11	Misc	Meter Reads and Non-pay Work on Customer Premises	05/24/85
A-12	Article VII, Section 1	Work Week for Gas Plant Operators	05/19/88
A-13	Article VIII, Section 5	Company Monitor Contractor Safety	05/23/91
A-14	Article VIII, Section 14(b)	Company May Replace Health Care Plans	05/23/91
A-15	Article IX, Section 1	Personal Attorneys During Grievances and Arbitrations	05/23/91
A-16	Article XII, Section 1	Double Time Rate and Consecutive Holidays	05/23/91
A-17	Article XIII, Section 1	Holiday Occurs During Scheduled Vacation Period	05/23/91
A-18	Article VII, Section 1(j)	Scheduling Make-up Overtime	05/23/91
A-19	Misc	Non-Pay Disconnect Work Group	05/23/91
A-20	Misc	Procedure for Employees Who Become Pregnant	05/23/91
A-21	Article IX, Section 1	Timeliness of Grievance Procedure	05/13/94
A-22	Misc	Family and Medical Leave Act	05/13/94
A-23	Misc	Construction Assistants – Duties and Pay Rate	05/13/94 (05/23/91)
A-24	Misc	Mechanic Trainee Job Classification Discontinued	05/13/94
A-25	Misc	Inspecting Mechanics To Not Cross Union Local Areas	05/13/94
A-26	Article V, Section 1	Wage Changes by Consumer Price Index	05/13/94 (05/23/91)
A-27	Article VI, Section 3	Notification to the Union of Posted Job Openings	05/13/94
A-28	Article V, Section 1	Training Union on Job Evaluation Procedure	05/13/94
A-29	Article V, Section 1	Variable Pay Programs Education	05/13/94
A-30	Misc	Flexible Benefits Program	05/13/94
A-31	Misc	Dental Maintenance Organization Plan (DMO)	05/13/94
A-32	Misc	No Layoffs Resulting From CG&E and PSI	05/13/94

Appendix A

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

<u>A- Docs. #</u>	<u>CLAUSE</u>	<u>ISSUE</u>	<u>DATE</u>
		Merger	
<u>A-33</u>	Misc	Contact Persons Concerning Benefits	05/13/94
<u>A-34</u>	Article VIII, Section 5	Information Concerning Contractors	05/13/94
<u>A-35</u>	Misc	Mechanic III Pay Rate and Work CG&E Wide	10/07/96
<u>A-36</u>	Article VIII, Section 5	Inspecting Mechanics	10/07/96 (05/13/94) (05/23/91)
<u>A-37</u>	Article VIII, Section 2	Logical Job Site Reporting Assignments	10/07/96
<u>A-38</u>	Misc	Combination Workers (Service Delivery)	10/07/96
<u>A-39</u>	Misc	Apprenticeship Programs	10/07/96
<u>A-40</u>	Article VIII, Section 23	Participative Management Team Guidelines	10/07/96 (05/13/94)
<u>A-41</u>	Article II, Section 1	Union Security – Company Neutrality	10/07/96
<u>A-42</u>	Misc	Sales Incentive Program	10/07/96
<u>A-43</u>	Misc	Compelling Business Reasons – No Layoffs	10/07/96
<u>A-44</u>	Misc	Pool Letter – Redeployment Process	10/07/96
<u>A-45</u>	Misc	Union/Management Committees	10/07/96
<u>A-46</u>	Misc	Dedicated Crews/Joint Trench/Concurrent Installation	10/07/96
<u>A-47</u>	Misc	Wage or Benefits Enhancements	10/07/96
<u>A-48</u>	Misc	Sale of Assets	01/18/02
<u>A-49</u>	Misc	Wage or Benefit Enhancements	01/18/02
<u>A-50</u>	Misc	Incentive Bonus Pay	01/18/02
<u>A-51</u>	Misc	Downbidding to Entry-Level Jobs	01/18/02 (10/07/96) (05/13/94) (05/23/91)
<u>A-52</u>	Article VII, Section 1	Work Hours	01/18/02 (10/07/96) (05/13/94)
<u>A-53</u>	Misc	Quarterly Meetings	01/18/02
<u>A-54</u>	Article VIII, Section 2	Voluntary Transfers Between Headquarters	01/18/02 (10/07/96) (05/13/94)
<u>A-55</u>	Misc	Pay for Non-Industrial Medical Appointments	01/18/02 (10/07/96) (05/13/94)
<u>A-56</u>	Misc	Medical Premium with No Dental Coverage	01/18/02 (10/07/96) (05/13/94)
<u>A-57</u>	Misc	Paid Lunch Periods	01/18/02 (10/07/96) (05/24/85)

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

<u>A- Docs. #</u>	<u>CLAUSE</u>	<u>ISSUE</u>	<u>DATE</u>
<u>A-58</u>	Misc	Martin Luther King, Jr. Day	01/18/02 (10/07/96) (05/13/94)
<u>A-59</u>	Article VIII, Section 7	Transportation in Personal Vehicles	01/18/02
<u>A-60</u>	Article VII, Section 1(m)	Call Out Pay	01/18/02
<u>A-61</u>	Article VI, Section 3(b)	Promotional Retraining	01/18/02 (10/07/96) (05/13/94)