

# Agreement

Between

**Local 175, UWUA, AFL – CIO**

and

**VECTREN ENERGY DELIVERY OF  
OHIO**

Effective November 1, 2005

To

October 31, 2009



**VEDO/Local 175 Contract  
November 2005**

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## **Preamble**

THIS AGREEMENT, made and entered into this 1<sup>st</sup> day of November, 2005 by and between Vectren Energy Delivery of Ohio on behalf of itself or its successors, hereinafter referred to as the "Company" and Local 175, Utility Workers Union of America of the AFL-CIO, hereafter referred to as the "Union".

The Union and the Company believe the economic health of the Company and thus, the security and well being of the Union and its members depends on the success of our shared commitment. Our Company is its people. With this Agreement we have a clear vision of employees as human assets in our Company. By continued training, both the Union and Company benefit. The intent of this Agreement is to recognize that each employee is capable, confident, committed and secure. The Company, Union and each employee shall cooperate to maintain high levels of efficiency, productivity, safety and meet service standards throughout the Company. In addition, the Company and the Union commit to mutual respect, open and timely communication, shared success, mutual aid and innovative problem solving.

With these understandings and for the purpose of facilitating the peaceful adjustment of differences that may arise from time to time and of promoting harmony, in order that the Company and the Union may mutually benefit, the parties agree as follows.

## **ARTICLE 1** **Union Recognition**

For the purposes of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment, the Company recognizes the Union as the sole and exclusive representative of the bargaining unit consisting of all maintenance, technical, construction, distribution, service, office clerical and other clerical employees employed by the Company in the job classifications listed on the Schedule of Job Classifications, including also job classifications which are a replacement for, or combination of listed included job classifications and any new job classifications in which the method of performing the work changes but the work accomplished is the same as the work presently being performed by individuals in included job classifications, excluding all professional employees, guards and supervisors as defined in the National Labor Relation Act.

The Company agrees to notify all bargaining unit employees of the existence of this Agreement, and to furnish them with a copy of same. The Company agrees it shall comply with the terms and working conditions of this Agreement and cooperate with the Union and its representative at all times to such ends.

## **ARTICLE 2** **Responsibility to Employees**

Based on our values and commitment we always aim at resolving problems in a way that is respectful to the individual and pursue solutions which, to the extent possible, adequately take into account the interests and requirement of the individuals concerned. We ensure that appropriate procedures are in place to resolve any employment related problem seriously, confidentially and as quickly as possible. The Company and the Union agree that every employee has the right:

- To be treated with respect;

- To expect cooperation in improving safety;
- To be informed of Company objectives and goals;
- To be encouraged in developing potential;
- To be evaluated regularly and constructively;
- To participate in improving work methods;
- To participate in grievance process; and
- To share in the gains of the Company

**ARTICLE 3**  
**Job Security**

The Company shall retain each bargaining unit employee for the term of the Agreement.

**ARTICLE 4**  
**Acquisition of or by VEDO – Local 175 Bargaining Unit**

In any transaction involving the continuation of one or more of the Company's current business unit operations by another entity, Vectren Energy Delivery of Ohio shall require that such entity agree to (1) offer employment to the affected bargaining unit employees in such operations to the extent and for the jobs necessary, (2) recognize Local 175 as the exclusive representative of such employees, and (3) adopt and become signatory to the Local 175 collective bargaining agreement covering such employees, once a unit employee is offered employment with substantially the same terms and conditions of employment by the new entity, including continuation of credited pension service, the employment and future contractual rights of such employee with Vectren Energy Delivery of Ohio shall terminate.

If the Company at any time shall acquire an entity, and a majority of the employees desire a union to represent them, and such representation is not in conflict with any contractual obligation taken over by the Company in connection with such acquisition or with any provisions of the Labor Management Relations Act of 1947, then by supplemental agreement hereto such employees may become members of the bargaining unit and be covered by this Agreement.

**ARTICLE 5**  
**Membership / Union Dues Check-Off**

Each employee within the bargaining unit having acquired thirty (30) days or more of service before the date of this Agreement, whether choosing to become a member of the Union or not, shall pay dues for the month for which this Agreement is executed to the Union by payroll deduction or otherwise and similarly during each month of the term of this Agreement as a condition of continued employment. Each bargaining unit employee who hereafter acquires thirty (30) days of service before the first of any month shall pay an amount equal to the monthly membership dues for such month and thereafter during the term of this Agreement as a condition of continued employment.

Upon Union certification of membership status and check-off authorizations, the Company shall deduct monthly from each Union-eligible employee's pay and remit to the Union by the 15<sup>th</sup> of each month (along with confirmation of the remittance) an amount equal to the monthly Union dues for each employee. The Company shall submit to the Union in writing by the Monday following the third Friday of each month a list of all bargaining unit members. The Company shall provide any updates including but not limited to; address changes, retirements, termination of employment, leaving bargaining unit, job title changes, employees on half (1/2) pay or no pay due to illness, injury or military leave etc. The Company shall withhold Union dues in compliance with the formula submitted by the Union.

If an employee is unable to work because of illness or injury, and has exhausted sick pay entitlement or changes to half (1/2) pay, the payment of an amount equal to Union dues shall be waived. This same provision will be applicable to employees who are placed on personal, military leave of absence or leave that would qualify under Family Medical Leave.

#### **ARTICLE 6** **Modification of Agreement During Term**

During the term of the Agreement, the provisions of this Agreement may be modified only by mutual agreement of the parties, signed by the President of the Local 175 and the Company's Director of Employee Relations. The Company and the Union may establish joint company/union committees for the purpose of discussing or developing such modifications.

#### **ARTICLE 7** **Management Rights**

Except as otherwise provided in this Agreement, the rights to manage its business and to direct the work force are reserved exclusively to the Company. The exercise of these rights by management shall not be used for the purpose of discriminating among employees covered by this Agreement. Except as restricted by this Agreement, the Company reserves the right to make and enforce reasonable rules and policies. The Union has the right to challenge the Company actions through the grievance procedure that it considers to be in violation of this Agreement.

#### **ARTICLE 8** **Past Practice**

It is understood that the labor Agreement supersedes the clause with the purchase agreement between Vectren and Dayton Power and Light which obligated the Company to assume all DP&L past practices and policies arising under the Compact.

The Company and the Union recognize that there are practices that have been followed subsequent to the date of the purchase which were discussed during the course of negotiations, but it is not practical to list all such practices. The parties agree that practices mutually agreed to during negotiations will continue to be followed to the extent not inconsistent with this Agreement.

The parties understand that Company initiatives involving technology or other legitimate business reasons may result in the modification of these practices, but only to the extent that such modifications are not inconsistent with other provisions of this Agreement.

### **ARTICLE 9** **Contracting of Work**

The Company agrees it will not contract work ordinarily and customarily performed by bargaining unit employees if the contracting of such work would result in abolishment of any bargaining unit job classification occupied on the date of ratification, or a reduction in the hourly rate of pay for any bargaining unit employee.

At the request of the Union the Vice President of Energy Delivery and the Director of VEDO operations, will meet tri-annually (January, May, and September) with a group, appointed by the Union President to discuss planned contracting and explore opportunities to maximize the use of bargaining unit employees and minimize the utilization of contractors.

### **ARTICLE 10** **Posting and Bidding**

Prior to filling vacant positions, the Company shall make known the job opportunities via the company bulletin boards and intranet. The notification will be available on the bulletin boards and intranet for 14 calendar days. A copy of the notification shall be sent to the Union at time of posting. Employees interested in job opportunities should register their interest with Employee Relations via the Posting and Bidding form.

Job opportunities will be filled by offering the position to the senior employee who has the minimum qualifications and who registered his/her interest. Employees must have registered for the job opportunity by the end of the 14<sup>th</sup> calendar day of the posting.

Selection shall be made based upon seniority, provided the senior bidder has the minimum qualifications to perform the work. An employee will be limited to one successful job bid in any rolling 6 month period; however this may be waived by mutual agreement between the Company and the Union. If an applicant is selected by the Company and placed in the bid job, the Company may, provided appropriate training opportunities are provided, remove the employee for performance reasons within 30 working days and return the employee to the last held job.

Management will be responsible for hiring and initial placement of additional personnel after completing the posting process.

An open position, as described above, shall be posted VEDO-wide. The Company will declare the number of openings to be filled with each posting.

Once an employee has accepted a position, the employee must be released from his/her current position within 60 days, or such longer reasonable period as required due to balanced staffing.

#### **Company Bulletin Board – Posting Union Information**

The Company agrees to provide suitable bulletin board space for the posting of official notices pertaining to the business of the Union.

**ARTICLE 11**  
**JLM**

The Company shall set aside \$40,000 over the term of the contract to be utilized by the Company and the Union in accordance with the JLM Agreement.

**ARTICLE 12**  
**Training**

The Company shall provide resources, training and equipment for safe and efficient work performance. Training is critical to profitability, to maintenance of an efficient and competitive workforce, and to employee advancement. An employee entering a job either as a new employee or through successfully bidding into an open job will receive the pay rate for the awarded job. Employees shall be provided training opportunities, and shall receive pay increases upon successful completion of assigned training required for increased responsibilities.

Training may take a variety of forms to include apprenticeship training, structured on-the-job training, and computer based Operator Qualification modules. The employee will demonstrate competence in job duties by successfully completing: testing associated with the aforementioned training, mandated Operator Qualification testing, and through on-the-job observation. A minimum score of 80% is required to pass the written test. Hands-on evaluations must be completed correctly in order to pass.

Missed questions on a successfully passed test will be reviewed with the employee to enhance skills and clarify training. Employees who fail testing will receive written feedback on deficiencies. The employee will be eligible to retake tests within 60 days from the review of the general questions.

To be eligible to progress to the next job level, an employee must complete all training and qualifications specified for the job description. Promoting employees outside of time in grade requirement will be done by exception and will require a Regional Manager level authorization.

Once the employee has satisfactorily completed all the requirements of the job level and passed all associated testing, the employee shall be entitled to a change in wage effective the day all testing (written or written and hands-on) has been successfully passed, assuming the employee has met the time requirements for progression or has been approved to progress early by the Company.

Some job classifications require the Posting and Bidding process for advancement beyond the progression level in a job series. These positions will be filled in accordance with the Posting and Bidding process. All other job openings are filled in accordance with the Posting and Bidding process.

The testing for these positions shall occur when the positions become available, or in advance of position opening if desired by the employee. Failure of the Company to make available the necessary training shall not restrict the advancement and pay of the employee.

The employee may be given refresher training if deemed appropriate by the supervisor. If it is appropriate to retest an employee on a specific skill or skills, the employee will first be offered any necessary training for the retest.



The Company and the Union recognize they have a mutual interest in working together to improve education and training of employees. A committee shall meet annually, to discuss areas of common interest as it relates to apprenticeship certification and training activities, and the bargaining unit members shall be appointed by the Union. Any committee meetings in this regard shall be held during the regularly scheduled first shift at no loss of wages to bargaining unit employees. Any changes in the contents or modules of the training process which would affect pay shall require the mutual agreement of the Union.

## **ARTICLE 13** **Safety**

### **1. Safety**

The Company and the Union recognize that they have a mutual interest in working together to ensure a safe and healthy environment for employees, customers and the general public. The Company and the Union agree to abide by all federal, state and local safety regulations and the Company (VEDO) Safety Manual that was in effect on January 1, 2005, unless modified or replaced by the Company-wide (Vectren) Safety Manual jointly produced by the Vectren-wide Joint Safety Committee. The VEDO representation on the committee shall consist of equal representation from management and the union, with the Local 175 members being appointed by the President of Local 175. In order to safely perform work assignments, the Company shall provide safety training and safety refresher training to employees to meet federal, state, local and Company required safety standards.

Union employees shall use and make every effort to preserve the equipment provided for their safety.

The Company will provide for all Union employees, and on company time, operating center safety meetings at monthly intervals, for the presentation of specific safety programs.

The Company and Union shall participate in the Vectren-wide joint Safety Committee. The committee members shall be appointed by the party that they represent. The Committee shall meet at least quarterly to review areas or issues of common interest. These meetings shall be held during the regular scheduled first shift at no loss of wages to Union Committee members.

If, in the opinion of a Union employee, a hazardous condition exists in the performance of work, the Union employee shall notify his/her supervisor of the conditions and the condition(s) will be handled in accordance with the VEDO Safety Issue Resolution Procedure.

The document describing the VEDO Safety Issue Resolution Procedure is in the Labor Agreement Reference Book on page 9.

### **2. Personal Protective Equipment**

The document describing the Clothing and PPE for Employees Performing Natural Gas Tasks is in the Labor Agreement Reference Book on page 7.

Subject to future modification by Company to reflect new technology and safety standards. Changes will be reviewed in advance with the Safety Committee. Any changes shall have no economic impact on bargaining unit employees.

## **ARTICLE 14** **Grievance Procedure**

A grievance is any dispute or complaint concerning the interpretation, application, or compliance with any of the provisions of this Agreement or any past practice developed or continued under this Agreement. A grievance shall be processed in the following manner:

Step 1: If the grievance is raised by an employee, it shall be raised within ten (10) working days of the event giving rise to the grievance or when the employee first becomes aware of such event. The first step meeting will be held within five (5) days. The first step meeting is a verbal discussion between the employee, the local steward and the applicable supervisor(s). The supervisor will answer the grievance within five (5) days of the first step meeting.

Any settlement made at the Step 1 level of the grievance procedure shall be considered to be non-precedential with regard to the future administration of this Agreement, unless both parties agree that the settlement will have precedent value.

Step 2: If the grievance is not resolved with the Step 1 answer, then the grievance shall be submitted to the Company in writing within fifteen (15) working days of the Step 1 answer. In the event a grievance is filed by the Union, it will be filed in writing at the Step 2 level within ten (10) working days of the event giving rise to the grievance or when the Union first becomes aware of such event. The Step 2 meeting will be scheduled between the appropriate Union official and a member of the Human Resources Department. Present at this meeting will be the aggrieved employee, local steward, the appropriate Union official, a member of the Human Resources Department, and the appropriate members of Company management. The Company will provide its answer in writing within ten (10) working days after the meeting.

Any settlement made at the Step 2 level of the grievance procedure shall be considered to be with precedent with regard to the future administration of this Agreement, unless both parties agree that the settlement will be without precedent.

Step 3: In the event the dispute is not satisfactorily resolved in Step 2, the Union may, within forty-five (45) working days from the receipt of the Step 2 answer, provide the Company written notice of intention to have the dispute heard by an impartial arbitrator.

Each party shall have three (3) opportunities each contract year to proceed to traditional arbitration on grievances advanced to arbitration. To proceed with arbitration, the parties shall jointly request the Federal Mediation and Conciliation Service (FMCS) to submit a panel of seven arbitrators, each of whom shall be a member of the National Academy of Arbitrators and the parties will select an arbitrator from a mutually agreeable panel. Traditional arbitration hearings will include a reasonable number of witnesses for each party, with post hearing briefs submitted by the advocates for each party. The decision of the arbitrator shall be final and binding.

Arbitration hearings not selected for the traditional approach shall be conducted utilizing the expedited approach currently in effect. The impartial arbitrator shall be selected from a panel of five arbitrators, who have been mutually approved by the parties for participation in the grievance process. The arbitrator shall announce his/her decision or resolution as expeditiously as possible in writing and the decision shall be final and binding. The current panel of arbitrators will continue to be utilized. Each of the five arbitrators shall serve on the panel for a period of the 18 months. Upon expiration of the 18-month period, either party may remove an arbitrator from the panel.

In any arbitration under this Agreement, the fee of the arbitrator and the expenses of the arbitration hearing shall be split equally between the parties. The parties shall bear their own costs of arbitration. The arbitrator may interpret the Agreement and apply it to the particular case presented, but shall have no authority to add to, subtract from or in any way modify the terms of this Agreement. In disciplinary cases, in the event the arbitrator awards back pay, it shall be calculated on the basis of the amount of wages the employee would have earned with the Company, less any interim earnings including unemployment compensation or any other payments which the employee received from any source during the period of time for which back pay is being computed.

Discharge cases shall be directed to the appropriate Company official at the Step 2 level and shall otherwise take precedent over other cases and be scheduled on the first available date.

The Union shall notify the Company in writing as to its Union officers and stewards. Meetings held pursuant to Step 1 and Step 2 of the grievance procedure shall be held during working hours with no loss of pay for participants who are employees of the Company.

## **ARTICLE 15** **Hours of Work / Work Schedules**

The basic workweek shall consist of five days of eight hours each, or forty hours. Work is performed under two schedules, "regular work schedules" and "irregular work schedules." Employees will normally have a 15-minute break in the morning and the afternoon. All Union employees will be paid on a bi-weekly basis every other Friday. In the event Friday is a Holiday observed by all Union employees, checks will be made available on the last regularly scheduled workday prior to the Holiday.

Lunch periods are either paid or unpaid, and if unpaid, may be ½ hour or 1 hour in duration. Those employees who are working a schedule which does not include a scheduled unpaid ½ hour or 1 hour lunch period shall have a reasonable amount of time to eat lunch during their work schedule. Lunch periods for all employees should be taken around the middle of the shift. For example, lunch periods for employees working day shift shall normally be between the hours of 11:00 a.m. and 1:00 p.m. Deviations from the scheduled lunch period can be altered by mutual agreement between the employees and the supervisor. The Company acknowledges that under certain circumstances travel to and from lunch may be necessary.

If an employee works through the lunch period with supervisory approval, he/she shall be entitled to overtime pay for the missed lunch period. If upon mutual agreement, the employee can take comp time in lieu of overtime payment.

Clean-Up Time: If required by the nature of the work, employees will have an adequate amount of clean-up time.

- A. Regular Schedules – Regular work schedules shall be Monday through Friday, between the hours of 6:00 a.m. and 6:00 p.m. They shall consist of five days of eight consecutive hours each, or 40 hours.
- B. Irregular Schedules – all other working schedules will be known as irregular work schedules. When irregular schedules include Saturday, Sunday or holidays, they shall, unless otherwise mutually agreed, be rotated in such a manner as to equalize the Saturday, Sunday and holiday work among the employees involved. Employees on

irregular work schedules may have a moving Saturday and Sunday as their days off, rather than the calendar Saturday and Sunday. The first day off shall be considered the employee's moving Saturday and the second day off shall be his/her Sunday. When the calendar Sunday is one of his/her days off and he/she works it, it will be treated as his/her Sunday.

Scheduled Premium – a premium of \$.15 per hour shall be paid to all irregular scheduled employees. Shift premiums for shift work on irregular schedules will be \$.15 per hour for the first shift, \$.60 for the second shift and \$.80 for the third shift respectively, as determined by whether the majority of a shift's hours fall between 7:00 a.m. and 3:00 p.m., 3:00 p.m.-11:00 p.m. or 11:00 p.m.-7:00 a.m. The payment of shift premiums applies to overtime hours worked also. The shift premium for overtime hours worked should correspond to the time during which the overtime is worked. For example, a first shift employee who is held over into second shift will receive the second shift premium for all overtime hours worked on the second shift at the overtime rate. The scheduled calendar Sunday premium is 25% of the regular hourly rate. There is no Sunday premium paid on overtime hours. This premium applies to straight time hours only. If irregular scheduled employees are required to work on the calendar Sunday in excess of the normal schedule of hours, they are paid time and one-half (1 ½).

When an employee works two consecutive tricks, the second trick shall be worked on an overtime basis.

- A. If an employee is changed from a regular schedule to an irregular schedule and back, affected employee(s) will receive irregular schedule premiums for the period of one (1) month beginning with the first day of the irregular schedule.
- B. Shift Change – Employees on irregular schedules may have their shift changed. When changes in a shift is necessary, the employee shall be paid double time unless the employee is given forty-eight (48) hours notice prior to the start of the new shift. Change of shifts shall not occur as a substitute for overtime. Employees can trade shifts or schedules with one another with supervisor approval. Trades shall not result in the Company paying an overtime premium.
- C. Schedule Change – Employees on irregular schedules may have their schedule changed. When an employee's schedule is changed, every effort shall be made to give as much advance notice as possible. Open and timely communication of the schedule change shall take place before putting an employee on an irregular schedule or changing the schedule of an employee already on an irregular schedule. Change of schedules shall not be a substitute for overtime.

When changes in work schedules are necessary, the employee will be paid double time for the first shift worked on the new schedule, unless notified prior to the quitting time of the last shift worked in the previous week. Such employee may be changed back to the normal schedule after the workweek has started and paid on a straight time basis.

If the first day of the irregular schedule runs past midnight, and the employee would lose one (1) day's pay during that pay week because of the change in work schedule, the employee shall receive eight (8) hours pay at regular straight time hourly pay in lieu thereof, except that any time actually worked by the employee on that "lost day" shall be deducted from the eight (8) hours.

- A. Upon mutual agreement of the Company and at least two-thirds majority of the affected employees, new work schedules other than those outlined in the Book of Schedules, which is incorporated herein by reference, may be implemented. Any such new schedule shall be reduced to writing and reviewed with the Union prior to implementation on a trial basis, not to exceed six (6) months. Any new work schedule established pursuant to the procedures set forth above shall be signed by an authorized Regional Manager of the Company and the President of the Union, after the trial period is completed. No schedule may be implemented that violates an employee's contract rights.

The document describing the Book of Schedules is in the Labor Agreement Reference Book on page 14.

### **ARTICLE 16** **Corrective Discipline**

The Company may initiate disciplinary action when an employee's behavior or performance is unsatisfactory. The Company will not discipline or discharge a non-probationary employee without just cause.

The type and degree of disciplinary action used in any particular situation will depend on the facts and circumstances. Most often the discipline will take the form of written warning, suspension with or without pay or discharge. Discipline will be cumulative. Although discipline will generally be progressive, the Company will determine the appropriate disciplinary action in each situation. In certain situations, due to the critical nature of the infraction/misbehavior or the employee's overall disciplinary record, it may be appropriate to take strong disciplinary action, up to and including discharge. In other situations, it may be appropriate to repeat a type of discipline, rather than proceeding to the next step, if the circumstances warrant it.

New employees may be terminated without cause during their probationary period.

An employee shall not be suspended or terminated without first having a fact finding meeting attended by the Union President or his/her designee, unless immediate suspension is necessary to protect Company property or the safety of others.

While verbal warnings and annual reviews may be given as corrective feedback, they are not considered as discipline.

A written warning shall be reviewed with the employee after one year and will be taken out of the employee's file and not considered for further discipline, if the behavior or performance has been corrected. If the written warning is not removed from the employee's file after this one year review, the written warning shall be reviewed with the employee every six months thereafter and will be removed from the employee's file and not considered for further discipline, if the behavior or performance has been corrected.

A non-probationary employee may use the grievance procedure to challenge disciplinary action.

## ARTICLE 17 **Overtime**

### **1. Overtime Pay**

Overtime hours are those hours worked in excess of the regularly scheduled workday or in excess of 40 hours per week.

Time and one-half will be paid for all overtime unless double time rates apply. Double time shall be paid for all overtime:

- After midnight, unless prearranged within two hours of scheduled starting time;
- On an employee's Sunday;
- In excess of scheduled hours on a holiday;
- In excess of 12 hours on an employee's Saturday;
- As a result of a call-in or
- After 17 hours while employees are working schedules other than their regular ones.

Overtime Minimum – Unless it is cancelled on the preceding shift or 12 hours in advance, employees will be assured 3 pay hours for scheduled overtime which is not consecutive with their regular shift – 4 pay hours if called in, and 6 pay hours if the overtime was prearranged for a normal day off.

Employees may be assigned work, other than the initially assigned duties, during the minimum pay period while still on property, or in company vehicle.

Upon returning to work on the same emergency, the employee will be paid at the same rate of pay at which they were released.

Employees can agree to accept comp time in lieu of overtime pay at the applicable rate. Comp time is to be taken in the same pay period it is accumulated per federal regulations. Hours are calculated at the same rate that pay would have been calculated. Supervisors must manually track comp time earned and taken. Comp time is an arrangement made between the supervisor and the employee (mutually agreed upon) and is not tracked on the corporate payroll records.

Rest Time – It is intended that employees working overtime shall receive adequate rest. At a minimum he/she will be guaranteed eight hours rest (entitled to 7.5 hours pay if employee has an unpaid lunch period) after working 16 hours of the previous 24 beginning with an employee's starting time. Employees who work overtime during the 8 hours preceding their normal shift may have their starting time delayed by the number hours worked. This does not apply to prearranged overtime if the employee has 8 continuous hours off between shifts nor to overtime that starts within 2 hours (2 hours or less) of regularly scheduled starting time and is continuous with that starting time.

The following also applies:

- Rest time applies to all shifts.
- Employees can work through their rest period – subject to supervisor approval.

- Working in lieu of rest is the exception and should be done on a needs basis. If the employee works in lieu of rest, the worked rest time is paid at a straight time rate.
- Rest time can be taken at the end of the shift if mutually agreed upon.
- In determining the 16 hours, begin with the employee's starting time and count all hours at work.

## **2. Overtime Distribution**

Overtime opportunities will be fairly equalized as nearly as practicable within the appropriate job classification in the local area. Methods for implementing equalization will be those arranged by employees and managers on an area basis.

Employees recognize the responsibility to respond to overtime requests. The Company reserves the right to require employees, giving such advance notice as is reasonably possible, to participate in overtime work in accordance with the following procedure. Forcing of employees to work overtime should be for good reasons like emergencies, shifts, repairs, and job continuation and pre-arranged overtime as described below. In accordance with the steps below, every reasonable effort should be made not to force employees.

The Company recognizes the benefits of utilizing its bargaining unit employees to perform needed work. Overtime work to be performed by Company bargaining unit employees will be offered in accordance with the following procedures:

Job Continuation Overtime – Job continuation overtime will be offered to Company bargaining unit employees before using contractors, according to the following procedure:

1. Company bargaining unit employees who are performing the work will first be offered the opportunity to complete the additional work. If there are insufficient resources, then
2. Other local, qualified bargaining unit employees in the appropriate job series who are available and on property will be offered the opportunity, according to the applicable overtime list to perform the work. If there are still insufficient resources, then
3. Other local, qualified bargaining unit employee whose job description covers the work needed to be performed, who are available and on property will be offered the opportunity, according to the applicable overtime list to perform the work or, if time permits, it will be offered to other bargaining unit employees in the same job series, who are in other areas. If there are still insufficient resources, then
4. Local, qualified personnel in the appropriate job series who are available and on property will be forced by job seniority; if job seniority is equal, then Company seniority shall be used.

### Same Day Pre-Arranged Overtime

For same day pre-arranged overtime, when it is determined that Company bargaining unit employees are to be used to perform the overtime work, the following steps shall apply:

1. Local, qualified bargaining unit employees in the appropriate job series who are available and on property will be offered the work by the local overtime list. If there are insufficient resources, then
2. Other local, qualified bargaining unit employees whose job description covers the work needed to be performed who are available and on property will be offered the opportunity to perform the work, according to the applicable overtime list. If there are

- still insufficient resources, then
3. If time permits, bargaining unit employees in the appropriate job series from other operating center list(s) will be offered the opportunity to perform the work. If there are still insufficient resources, then
  4. Local, qualified personnel in the appropriate job series who are available and on property may be forced by job seniority; if job seniority is equal, then Company seniority shall be used or the Company may elect to use contractors.

#### All Other Pre-Arranged Overtime

For all other pre-arranged overtime, when it is determined that Company bargaining unit employees are to be used to perform the overtime work, the following steps shall apply:

1. Local, qualified personnel in the appropriate job series who are available will be offered the work by the local overtime list. If there are insufficient resources, then
2. Other local, qualified bargaining unit employees whose job description covers the work needed to be performed who are available will be offered the opportunity, according to the applicable overtime list to perform the work. If there are still insufficient resources, then
3. Bargaining unit employees in the appropriate job series from other operating center list(s) will be offered the opportunity to perform the work. If there are still insufficient resources, then
4. Local, qualified personnel in the appropriate job series who are available and on property may be forced by job seniority; if job seniority is equal, then Company seniority shall be used or the Company may elect to use contractors.

#### Call in Emergency Overtime

When it is determined that call in/emergency work is required and there are no employees on property who are in the needed job description and available to perform the work, it will be offered to Company bargaining unit employees, before using contractors, using the following steps:

1. Qualified Company employees on the applicable overtime list will be offered the overtime assignment. If there are still insufficient resources, then
2. Employees from other Operating Centers, who are qualified, in the appropriate job series and have signed the master overtime list(s) will be offered the overtime.

The Company shall not be required to use any employee for work which they are not qualified. The Company is not required to remove an employee who has accepted overtime and begun work in a job continuation situation in order to replace that employee with another employee. Except by mutual agreement, the Company shall not be required to break up normal crew groupings, once overtime has started. Employees forced to work overtime will be released by their job seniority at the end of their job, if applicable.

Existing employees already working continuation overtime shall not be considered for additional, concurrent continuation overtime needs unless the specific skills of the employees already working are needed.

Employees who are already working their regularly scheduled shift will not be allowed to accept an assignment which has overtime during the employee's normal scheduled shift.



### Overtime List and Tracking

The names will be listed in the order to be used for overtime distribution. The Company will make available to the Union the overtime activity of the previous week at the earliest time available – normally Monday. If needed for the local overtime equalization, the appropriate Union representatives will report on the first of each workweek to the assigned administrative person, the hours worked and hours refused for each employee. The information is entered into the computer system by the assigned administrative person. The Company will provide reasonable time to the Union representatives to update this overtime list.

This information is available for all parties to view and print for overtime assignments. The information in the file is based upon the data that the Union representatives received from the Company on a weekly basis, therefore discrepancies in the posted information are between the individual and the Company.

An employee new to a department job classification shall be charged with overtime for overtime distribution purposes equal to the highest amount of accumulated overtime in that departmental job classification. Employees returning from military leaves of absence or illness of greater than one month shall be placed on the overtime list in the same order as when they left.

### Misassigned Overtime

The opportunity to pay or work misassigned overtime shall be worked out with the employee or employees and the supervisor involved. If the affected parties involved cannot come to agreement, the grievance process may be utilized. Missed or make-up overtime work will consist of any productive work that does not eliminate or take place of an overtime assignment.

### Overtime Availability around the Vacation Period

Vacation begins at the end of the employee's normal scheduled quitting time. Vacation ends at the beginning of the employee's normal scheduled starting time.

Employees will be assumed unavailable for overtime during the time they are off on vacation.

Employees must notify supervision if they want to be available for overtime and call-ins before the end of their last scheduled work day prior to taking vacation.

## **ARTICLE 18** **Seniority Rights**

### **1. Seniority Rights**

Seniority is recognized as the right accruing to employees through length of service, which entitles them to preference in promotions, transfers and job opportunities when properly qualified. Seniority rights of employees shall accrue from date of hiring. New employees shall be on probation for a period of six (6) months and during such probationary period shall not be entitled to seniority rights. At the completion of such probationary period such employee, if retained in the employment of the Company, shall be placed on the seniority list as of the date hired. Employees hired into the bargaining unit after the effective date of this Agreement may be terminated without just cause during their probationary period.

Employees accrue and retain seniority according to length of service in a job and with the Company. Among employees qualified for an opportunity, priority is accorded to Company seniority; company seniority has priority in voluntary placement or bumping during surplus as described below. Employees shall be notified of job opportunities.

While receiving personal illness pay, an employee shall accumulate seniority. After the expiration of such benefits, the employee shall continue to accumulate seniority for a period equal to that for which the employee received benefits.

The seniority of an employee who suffers industrial disability shall accrue while absent by reason of such disability. When employees return after absence due to illness or injury, they shall be re-employed on their previous job unless circumstances beyond the control of the Company make this impossible, under such circumstances the employee shall be entitled to exercise their seniority to bump any less senior employee as long as they meet the minimum qualifications of the job.

In order to avoid unfairness, which may be caused by this section, the application of this section may be varied by agreement between the Union and the Company.

Prior to any surplus the Company will determine the staffing needs for each job classification by department and/or location affected within the bargaining unit and provide this information to the Union. Employees declared surplus shall have an opportunity to exercise bumping rights with the most senior employee, based on Company seniority, being scheduling for processing first. Such processing will take place on paper before any actual surplus takes place. Surplused employees shall be allowed to exercise their Company seniority in selecting another job for which they are capable, meeting the minimum qualifications for the job, and which is held by an employee having less Company seniority or a job which the Company designates as vacant. The surplused employees exercising seniority rights must demonstrate that they can be productive in the job. Employees who are bumped from a job classification shall also be processed the same as those employees initially identified. Once an employee has selected another job classification such employee may not withdraw such selection.

When any bargaining unit member is promoted or transferred to a position outside of the bargaining unit, he/she shall retain the seniority held at the time of such promotion for a period of ninety (90) days. During that ninety (90) day period the employee may elect to return or be returned by the Company to employee's former position. The employee's seniority shall be adjusted to reflect the time spent in the non-bargaining unit position. If the employee does not return to the bargaining unit within such ninety (90) day period, such employee's seniority shall be lost and he shall have no further rights under this Agreement.

## **2. Loss of Seniority**

Seniority and employment relationship cease if any of the following occurs:

- a) The employee is discharged for just cause which is not reversed through the grievance procedure.
- b) The employee quits or retires.
- c) The employee is absent from work for three consecutive days without proper notification to the Company unless the employee is unable to provide such notification.
- d) The employee engages in gainful employment during a leave of absence.

### 3. Seniority List

A Company seniority list will be provided to the Union annually and posted at each operating center by the first of April.

When the same seniority date of two or more union employees occurs, the last four digits of the employees' social security numbers shall be used to determine the most senior employee. The employee having the highest number shall be considered to be most senior.

## ARTICLE 19 Benefits

### 1. Illness Pay

Employees unable to perform regular work or available light duty due to illness or injury will receive pay per the following schedule:

<b>Years of Service</b>	<b>Weeks at Full Pay (40 Hours)</b>	<b>Weeks at Half Pay (20 Hours)</b>
6 Mo – Less than 1 Year	1	1
1 Year – Less than 2 Years	2	2
2 Years – Less than 3 Years	3	3
3 Years – Less than 4 Years	4	4
4 Years – Less than 5 Years	5	5
5 Years – Less than 6 Years	6	6
6 Years – Less than 7 Years	7	7
7 Years – Less than 8 Years	8	8
8 Years – Less than 9 Years	9	9
9 Years – Less than 10 Years	10	10
10 Years – Less than 15 Years	15	15
15 Years and Over	20	20

All employees will have unpaid waiting period of 8 hours for each occasion unless they are confined to a hospital or have outpatient surgery. Illness credits are earned in 8-hour increments by having no illness for 12 months and are applied against the waiting period. Employees are given illness hours which can be used during a 12 month calendar period. Illness hours are restored January 1 of each year provided the employee is not on an extended illness at that time. When this happens, the illness credits are restored upon their return to work. Illness balances are also updated (not restored) on the employee's service anniversary to reflect additional full pay/half pay hours entitlement remaining, provided they are not at the maximum. Calendar year entitlements are established by being actively at work in the calendar year.

If an employee returns to work from illness and a recurrence of the same illness occurs, the employee's illness will be considered as continued illness and timesheets coded accordingly. Medical verification may be required indicating that the absence is due to same illness.

If an employee's absence extends longer than 7 calendar days, he/she will enter the case management program. This will require the employee to sign a release to the case manager and inform them of his/her impending absence. The case manager will collect information regarding the employee's illness/injury and use that to monitor the employee's treatment and

return to work. Employees are expected to cooperate with the case manager by working with their personal physician to ensure that all requested information is supplied to the case manager. Additional expense incurred by the employee from his/her personal physician solely for the purpose of complying with the case manager information requests that is not covered by the employee's health insurance will be reimbursed to the employee. If there is a dispute between the case manager and the employee's personal physician regarding the employee's fitness to return to work, a neutral, third physician, acceptable to both parties will examine the employee to determine if the employee should be released to return to work and the decision of this third physician will be binding. All expenses associated with the third physician will be paid by the Company. If the case manager and the employee's personal physician agree that the employee should be released to return to work and the employee fails to return as determined, illness pay will be terminated upon the effective date of the release.

If an employee becomes ill before vacation or becomes hospitalized during vacation he/she may cancel vacation and go on illness pay.

Employees are required to notify their supervisor of all absences.

The Company may require employees claiming sick pay to furnish a certificate from a licensed physician covering each sick pay absence on the third day off work or at the discretion of supervision.

## **2. Long Term Disability (LTD)**

Total disability is defined as follows: During the first two years that employees receive disability benefits, they must be unable to perform their regular job. After the first two years, to qualify, employees must not be able to perform any other work for which they are qualified, based on education, training or experience. A disability could keep employees from doing the job they performed prior to their disability, but they may be able to perform a different job, either at Vectren or somewhere else. After this 24 month period and there is no work within Vectren, and the employee is unable to earn more than 60% of his/her Indexed Predisability Earnings from any employer in their local economy for which he/she is reasonably qualified by education, training or experience he/she will remain on disability.

Employees shall be entitled to a monthly disability allowance when they have medical certification of total disability from performing their assigned job duties and illness allowances have been exhausted. The monthly long term disability (LTD) allowance payable to normal retirement shall be equal to \$25 for each full year of service, plus \$100.

In order to qualify for long term disability (LTD), the employee must remain totally disabled. If the employee recovers from the disability, benefit payments will cease because the employee can return to work. If an employee is back to work for up to six months and is again disabled by the same illness or injury, both disabilities shall be considered as one period of total disability. If the employee is back to work for more than six months, it shall be considered a new period of disability. If the employee does not return to work after recovery, LTD benefits are cancelled.

As long as the employee is totally disabled, benefits from the plan shall continue until the employee reaches age 65 or retires and begins receiving payments from the retirement plan, whichever comes first. The disability payment shall not be offset by Social Security payments that an employee may receive.

If it appears that the employee will be unable to work beyond the period covered by personal illness payments, contact Human Resources about applying for LTD benefits. The employee

will be asked to fill out a claim form and attach medical evidence of his/her disability. The employee may be asked to submit to a medical examination before receiving benefits and/or at intervals as proof of his/her continuing disability.

#### Continuation of Other Benefits During LTD

While the employee is receiving LTD benefits, Vectren shall continue to make contributions to his Health Care Company Contribution Account. The employee shall be able to use this money to pay for his/her chosen health care and dental plans, and for uninsured medical or dental expenses. The employee shall not be able to direct money from his/her Health Care Company Contribution Account toward other uses. Vectren will also continue Basic Life and Accidental Death and Dismemberment (AD&D) insurance coverage. Supplemental life insurance and dependent life insurance can remain in effect if the employee continues to pay the premiums. The retirement benefits shall be based on the employee's benefit service when he/she started receiving LTD payments, and the benefit rate in effect upon retirement. The employee's health, life and AD&D benefits will follow the current plan structure and rates effective for active employees.

Contributions to the Employee Savings Plan 401(k) shall stop and the employee shall therefore not be eligible for further matching contributions from the Company as long as the employee remains disabled. If the amount of the employee's investment in both plans is less than \$5,000, and he/she is fully vested, the employee shall automatically receive the total amount in his/her accounts.

Before any benefits may be paid under the total and permanent disability benefit program, the employee shall first be paid all benefits for which he/she is qualified. For employees who qualified for the LTD program as the result of an occupational injury or illness, service for pension consideration will continue to accrue during the time that the employee qualifies for LTD. For employees who qualified for the LTD program as a result of a non-occupational illness or injury, service for pension consideration will continue to accrue during the time that the employee is qualified for LTD, if the employee also qualifies for Social Security disability. If the employee does not qualify for Social Security disability, the employee will receive the LTD payments, but his/her pension credits will cease to accrue on the date when his/her seniority stops accumulating. To qualify for prorated pension credits during any year, the employee must accumulate at least 501 hours of service. For all individuals on LTD, the pension multiplier in effect at the time of the employee's retirement will be utilized to calculate his/her pension.

#### Predisability Earnings

Predisability Earnings means the amount of the employee's gross salary or wages from Vectren as of the day before his/her disability began. This is calculated on a monthly basis.

This may include contributions the employee makes through a salary reduction agreement with Vectren to any of the following:

1. an Internal Revenue Code (IRC) Section 401(k), 403(b) or 457 deferred compensation arrangement
2. amounts contributed to the employee's fringe benefits according to a salary reduction agreement under an IRC Section 125 plan

Predisability Earnings do not include:

1. awards, commissions and/or bonuses
2. overtime pay
3. the employer's contributions on the employee's behalf to any deferred compensation arrangement or pension plan; or
4. any other compensation

If the employee does not have regular work hours, his/her Predisability Earnings are based on the average number of hours the employee worked per month during the preceding 12 calendar months (or during his or her period of employment if less than 12 months). In no event will the number of hours be more than 172 hours.

Indexed Predisability Earnings

Indexed Predisability Earnings means the Predisability Earnings increased by 7%.

The first increase will take place on the date the 13<sup>th</sup> Monthly Benefit is payable. Subsequent increases will take effect on each anniversary of the first increase. The employee must have been continually receiving a Monthly Benefit under this plan.

Local Economy

Local economy means the geographic area surrounding his/her place of residence which offers reasonable employment opportunities. It is an area within which it would not be unreasonable for the employee to travel to secure employment. If the employee moves from the place he/she resided on the date he or she became disabled, the Company may look at both that former place of residence and his/her current place of residence to determine local economy.

**3. Continuation of Benefits**

During a family or medical leave, an employee's health and dental benefits shall continue, provided the employee pays his/her portion of the premiums, if applicable. If the employee pays a share of his/her health, dental or life insurance **coverages** while he/she is on paid leave, he/she shall still be responsible for making those payments while on medical leave while he/she is on unpaid leave, but shall have the opportunity to make up missed contributions upon his/her return. Also, the employee is not eligible for any holiday pay while he/she is on unpaid leave.

Failure to return to work as scheduled shall be deemed a voluntary resignation. Should that occur, any employer contributions for benefits during the unpaid leave must be repaid to the Company.

**4. Workers' Compensation**

An employee who is injured on the job or who suffers a work related accident or illness arising out of his or her employment and cannot perform regular work or available light duty, may be eligible for Workers' Compensation benefits from the State of Ohio.

The Industrial Commission of Ohio determines the amount of Workers' Compensation benefits the employee will be entitled to based on the employee's base pay and overtime. The Company agrees to supplement the state required benefit level. The supplement will be based on the difference in the employee's statutory Workers' Compensation benefit and his or her hourly rate of pay. During the first twenty (20) weeks of disability the Company will make up the

difference between the employee's straight time rate and the statutory amount. If the disability continues beyond the twenty (20) weeks the Company will make up one half the difference between the employee's straight time rate and the statutory amount for up to an additional twenty (20) weeks.

The supplement is payable during any consecutive twelve (12) months beginning with the first full day of absence due to disability. If the disability continues beyond twelve (12) months, the employee will not be eligible for this supplement again until he/she returns to full time work; however, the employee will continue to receive any Workers' Compensation benefits for which he/she is eligible.

While receiving Workers' Compensation benefits and any supplemental pay, the employee will continue to accrue seniority and pension benefit service until he/she retires. Health and Life Insurance will be provided at the active employee rate until the employee's retirement or until he/she becomes eligible for insurance from another employer or through Medicare. Contributions to the Employee Savings Plan 401k including the Company match will continue during the supplemental payment weeks and will be discontinued at the end of the supplemental payment weeks.

**5. Medical Benefits Contribution**

Year 2006	Year 2007	Year 2008	Year 2009
\$700	\$730	\$760	\$800

Opt out employees will be paid per week

Year 2006	Year 2007	Year 2008	Year 2009
\$45	\$50	\$55	\$60

All unused medical insurance funds will be rolled into "Share Insurance Fund" and reallocated to bargaining unit employees.

**6. Pension Base Multipliers and Supplements**

The following pension base multipliers will be in effect upon during the Contract term.

Year 2006	Year 2007	Year 2008	Year 2009
\$31.00	\$32.00	\$32.00	\$33.00

Current supplements remain status quo.

- 30 years of service supplement: \$400.00 payable until employee is eligible for full unreduced Social Security benefits.
- Early retirement supplement \$259.50 payable to age 65.

**7. Life Insurance**

The Company will provide \$50,000 life insurance for active employees, no change for retirees.

## 8. 401(k) Plan Contribution

Employees will receive contributions to their 401(k) plans on December 1 for the coming calendar year in amounts as listed below:

Year 2005	Year 2006	Year 2007	Year 2008
1300	1300	1300	1300

The Company will match employee contributions dollar for dollar to a maximum contribution of \$1,000. The Company contributed \$200 on December 1, 2005 to each employee's 401(k) account.

## 9. Employees Physically Unable to Perform

If an employee has temporary medical restrictions, then the employee will be considered for temporary restricted duty work assignments, if available. If no temporary assignment is available or the employee is unable to perform available work due to medical condition or restrictions:

1. If occupational condition, workers' compensation payments shall apply,
2. If non-occupational condition, illness pay shall apply.

The Company will make every effort to accommodate an employee who is medically certified as being unable on a long-term basis to perform a reasonable portion of the essential functions for his/her current job by examining work opportunities in accordance with and in order of the following procedure:

1. The employee will be able to bid through the posting and bidding process into any open job for which he/she has the ability to perform a reasonable portion of the essential functions. The employee's pay will be red circled, if greater than the pay rate for the new job.
2. The Company, Union and employee will identify a job or ongoing productive work, which the employee can perform. If an actual job is identified, the employee's rate of pay will be red circled. Otherwise, pay will be commensurate with the work performed.
3. The employee will be able to use his/her seniority to bump into any job, for which he/she has the ability to perform the essential functions. The employee's pay will be red circled, if greater than the pay rate for the new job.
4. As a substitute for any of the previous three steps, the employee may elect to accept a severance and terminate his/her employment with the Company. The severance will be equal to two weeks of pay for every full year of service.

The above procedure is not intended to limit any rights which the employee otherwise have to illness pay, long term disability or worker's compensation payments, including in the event the above procedure is exhausted.



**ARTICLE 20**  
**Time Off**

**Personal Business**

Any employee requiring time off for personal business shall obtain permission from the employee's supervisor for such time off. All absences shall be considered personal business except those for which pay is provided in this Agreement, personal illness and legitimate business of the Union.

**Leave for Union Office**

The Company shall grant leave without pay, with no loss of seniority, with accrual of service credit for the leave toward pension benefits for the full time elected President if an employee of the Company. Upon reinstatement of an employee at the expiration of the leave of absence, the employee shall resume employment in the job classification which was left. If such job classification no longer exists, the employee shall be offered a position with equivalent pay, which he/she is qualified to perform.

**Paid Absence Days**

Each employee on the payroll January 1 of each year shall be entitled to 16 hours paid absence time to be taken during such calendar year. These hours could also be used as first day ill when employee is off sick.

**Bereavement Leave**

Employees shall be permitted time off with scheduled straight time pay from the time of death to the funeral date of the employee's father, mother, husband, wife, son, daughter, siblings, parents-in-law, or persons living in an employee's household. Scheduled time off with pay will be granted to attend the funeral of grandparents and son (daughter) -in-law. Time off for a friend or relative not mentioned above will be without pay.

**Vacations**

Employees shall be entitled to the following vacation time as accrued while on the payroll in the preceding vacation year (January 1 – December 31). See schedule below:

<b>Years of Service as of Anniversary Date</b>	<b>Vacation Hours</b>
0-1	No vacation
1-8	80 hours
9	120 hours
14	160 hours
22	200 hours

Employees become eligible for any additional earned vacation on their service anniversary date. This new vacation eligibility will take effect January 1, 2006.

Scheduling of vacation time shall be with supervisor approval and based on signup order by Company Seniority from December 1 – December 30, then on a first come first serve basis after that. Pro rata vacation entitlement shall not be affected by resignation, retirement, death, or

military leave. Vacation entitlements of employees shall not be affected after their qualifying date.

Vacation days may be used as first days ill, one day at a time, or split into hours if needed.

Vacations shall not be allowed to accumulate from year to year, except when the employee cannot take his/her vacation because of injury, illness, FMLA leave or workers' compensation. In such circumstances, the employee shall receive pay for the unused vacation or, at the employee's option, carry over up to one (1) week of the unused vacation to the following year. In the case where an employee's service anniversary date occurs after December 15, the additional vacation for which the employee is eligible may be carried over to the following calendar year.

Any other exceptions to this policy shall be handled on a case by case basis and require management approval. Requests are to be submitted in writing.

## **ARTICLE 21** **Personal Leave of Absence**

Vectren may grant a leave of absence for personal reasons, when business permits. These leaves can be up to three (3) months, and can be extended for an additional three months if the Company agrees. Requests should be submitted in writing to the employee's supervisor. The employee and his/her supervisor should agree in writing as to the length of the leave, continuation of benefits and other pertinent matters. Leaves will be unpaid and the employee's health and life insurance benefits will be continued only if the employee pays the cost. If the employee fails to make timely payments, his/her benefits will be cancelled.

The employee must apply for reinstatement before the leave of absence expires. If the employee is physically able to do his former job, he shall be reinstated. A physical examination may be necessary. If the employee does not apply for reinstatement, the employee's employment with Vectren will end on the day the leave expires.

When the employee returns to work after a leave of absence, and is physically qualified, the employee shall be placed in the same job classification, but not necessarily in the same job he/she had when he/she left. The employee's seniority and Company benefits shall resume at the level the employee was entitled to when the leave began. The employee's record of continuous service and seniority shall not be broken by the leave, but will be reduced by the length of the leave of absence.

The Company shall, at the request of the Union, grant a leave of absence to an employee who is selected as a delegate for specific activities for or on behalf of the AFL-CIO, or its affiliates for a period of not to exceed one (1) year. At least one month's written notice will be provided for such leave.

Total leave time for any of the leaves covered by this Article will not exceed 2 years for the employee's entire career with Vectren.

**ARTICLE 22**  
**Holidays**

Every employee who works the scheduled day before or after the celebration day for the following holidays will be paid straight time for eight hours on the agreed celebration day for New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, the day before Christmas, and Christmas Day, the day before New Year's Day. As many employees as possible shall be given time off on such holidays. Employees who do work during a holiday celebration shall be paid one and one half their straight time rate for the hours worked. For irregular scheduled employees, this holiday work pay shall apply to the calendar holiday unless the employee is scheduled to work the celebration day and not the calendar holiday, in which case it shall apply to the celebration day. Any employee may be granted a day off in lieu of the holiday through mutual consent.

Employees working shifts in excess of eight (8) hours shall receive Holiday pay consistent with the Book of Schedules.

**ARTICLE 23**  
**Qualified Construction Crew Make-Up**

A crew is defined as the number of people required to safely perform the assigned task. If more than two persons are required on a crew, one must be a Senior UCT or the equivalent upgraded UCT III. At least one person on the crew must possess the appropriate operator qualifications/certification.

**ARTICLE 24**  
**Restock Truck Times**

Employees shall be allotted adequate amount of time to restock trucks. This restocking of trucks shall be done in a timely and efficient manner.

**ARTICLE 25**  
**Temporary Employees**

Temporary employees are those who are employed for a specific task and a specific period of time under the direct supervision of the Company; they are excluded from the bargaining unit. The use of temporary personnel is limited and shall be reviewed with the Union on a regular basis.

**ARTICLE 26**  
**Annual Employee Reviews**

All employees are to be evaluated regularly and constructively and should be encouraged in developing their potential by focusing on improving personal performance. To aid in this process, supervisors shall annually complete a Performance Review for each employee.

The supervisor and employee shall meet to discuss the evaluation. The Company understands that when an employee signs the Performance Review it does not mean that said employee agrees with the evaluation, rather the employee is signifying that the Performance Review was

discussed. Employees who may object to the content of their Performance Review can sign an Employee Review Protest form and have the form attached with the Performance Review.

The document describing the Employee Review Protest Form is in the Labor Agreement Reference Book on page 12.

## **ARTICLE 27** **Work Stoppages**

All grievances and/or questions of interpretation arising under the provisions of this Agreement shall be submitted to the Grievance Procedures for determination. Accordingly, no work stoppage, slowdown, sympathy strike, walkout or lockout shall be permitted or authorized by this Agreement, except as set forth below.

The Company shall not require an employee to cross any picket line, if doing so may expose the employee to a risk of injury. An employee who does not cross a picket line due to the application of this provision will not be subject to discipline, replacement or reduction of pay. In determining the application of this provision, the Company shall give equal consideration to the employee's and the supervisor's/ manager's opinion regarding the risk of injury.

It shall not be a violation of this Agreement and it shall not be a cause for discharge or disciplinary action or reduction of pay if any employee refuses to perform any service which the Company undertakes to perform for or on behalf of any other entity including, but not limited to, the parent or any affiliate, subsidiary or related entity of the Company, whose employees are on strike, and which service, but for such strike, would be performed by the employees of the entity on strike.

## **ARTICLE 28** **Inclement Weather**

Except in cases of emergencies, the Company shall not require employees to work outdoors during inclement weather conditions.

Double time rates shall be paid to employees who work outdoors or in unheated facilities during inclement weather conditions continuously for thirty (30) minutes or more during non-emergency jobs.

## **ARTICLE 29** **Mileage Reimbursement and Travel**

Travel Pay Reimbursement for employees assigned to other than their regular reporting location is as follows:

Less than 50 miles: for actual miles driven, mileage at the prevailing I.R.S. rate.

Beyond 50 miles: Round-trip transportation on company time or mileage on company time plus reasonable meals, lodging and a \$5 daily incidental fee per each overnight stay, or at the employee's election, a \$25 per diem lodging and a \$5 daily incidental fee per each overnight stay. The per diem could be part of a pay advance if requested by the employee.

In emergency situations when lodging is required, reasonable meals, lodging and a \$5 daily incidental fee per each overnight stay will be provided.

Use of Personal Vehicle – Agreed employee use of insured private vehicles for approved company business travel will be reimbursed at the prevailing I.R.S. rate. Where travel is required of an employee who is on the clock, the Company will normally provide a company vehicle or a rental vehicle. If there is mutual agreement for the employee to use his/her own privately insured vehicle, in the event of an accident the Company will be responsible only for the employee's deductible under the employee's insurance policy, except the Company will not be so responsible if the accident is caused by the employee's violation of Company safety policies.

#### Travel Expenses for Training

When an employee goes outside of Vectren for training, Vectren will take care of all expenses that are related to such training. The cost of motel, class and rental car if applicable will be paid by Vectren, and reasonable meals or \$25 a day per diem, mileage, and all other related expenses will be reimbursed with appropriate receipts attached to an expense report. Vectren will not reimburse employees for items that have no relationship to purpose of said training. The per diem could be part of a pay advance if requested by the employee.

### **ARTICLE 30** **Lesser Skilled Duties**

Lesser skilled duties that may be assigned to employees include any duties that are included in the employee's job description at any level lower than the employee's current skills. The job descriptions list the major job duties within each job and do not list all of the duties that go into completing the job. Other duties that may be assigned include general duties, such as simple maintenance, general labor activities and housekeeping, which are common to all jobs.

### **ARTICLE 31** **Temporary Upgrade / Assignment**

Temporary upgrade is defined as a temporary transfer to a higher level job in the employee's job series. Temporarily upgraded employees shall be paid the pay rate of the job to which they are upgraded. Employees upgraded to non-bargaining unit positions will receive an increase of \$1.00 per hour. When upgrading within the same operating center, the Company shall offer the upgrade to the qualified employees within the job series by Company seniority. If no one volunteers for the upgraded position, the qualified employee within the job series with the least job seniority at the same operating center will take the upgrade.

In emergencies when additional employees are needed in a department or operating center to properly handle the emergency, any employee who is on duty and is qualified, can be used on a straight time basis. If the emergency extends into overtime for the reassigned (temporarily upgraded or assigned) employees, needed employees of the involved department or operating center that are available and on property will be offered to work the overtime before the reassigned employees will be offered to work the overtime.

Employees who are assigned to another department or operating center within the same job series to handle a routine job or who are working a prearranged schedule will not be displaced by employees of the department or area if job continuation overtime is involved.

Temporary assignments to a different operating center location other than employee's regular assigned operating center can be for a period of time up to but not to exceed six (6) months. All applicable travel expenses shall be paid in accordance to contract. Temporary assignments will be filled by volunteers, and then if none, the junior qualified employee shall be forced by job seniority. Unless mutually agreed between the Company and the Union, a position shall not be filled by a temporary assignment for more than twelve (12) months.

**ARTICLE 32**  
**Personal Use of Company Equipment**

Borrowing or other use of Company property or equipment for personal or community relations activities requires advance approval by an employee's supervisor. Borrowing of Company property must be done with appropriate check in/out procedure and appropriate waiver of liability form. The document describing the Employee Borrow/Loan of Tool, Part, or Equipment Release Agreement is in the Labor Agreement Reference Book on page 35.

**ARTICLE 33**  
**Supervisors Doing Bargaining Unit Work**

Supervisors are not to perform work covered by union-eligible job descriptions to the extent that they eliminate qualified, regular employees. This is not intended to prevent such supervisors from protecting life, limb or property, giving occasional or emergency assistance or performing work for the purpose of instructing or training.

**ARTICLE 34**  
**Operator Qualifications**

Regulations found in 49 CFR part 192 Subpart N and Part 195 Subpart G address operator qualification and require pipeline operators to develop and maintain a written program for individuals performing covered tasks on its pipeline facilities. The intent of this rule is to ensure a qualified workforce and to reduce the probability and consequences of incidents caused by human error by establishing qualification requirements for individuals performing covered tasks.

To ensure individuals performing covered tasks are qualified, Vectren has established qualification guidelines and identified the covered tasks that require qualification. The program involves the review and training of the task information, and assessment and a post assessment of the topic. Field verification on certain tasks may also be required.

Employees will be given normal working hours to complete the tasks associated with job responsibilities.

**ARTICLE 35**  
**Union Business Scheduling and Charging of Time**

The Union shall have the right to designate and shall designate such shop stewards for any department, plant, building or shift as it deems necessary for the proper administration of its affairs and for the execution of the provisions of this Agreement, and such stewards shall be authorized to represent the Union in any matter covered by this Agreement arising within the department, plant, building or shift for which they are designated.

Any steward and/or Union representative shall be excused from regular duties for the performance of their representational activities, and the Union agrees that such activities will be performed in a manner which minimizes interference with work performance. The stewards and Union representatives so excused shall be paid regular straight time hourly pay as set forth in this Agreement.

Employees requesting time off for Union business shall be required to fill out a Union business request form and/or notify their supervisor. The document describing the Request for Union Business is in the Labor Agreement Reference Book on page 13.

Joint meetings, held for the mutual benefit of the parties, will be scheduled during regular working hours, to the extent possible and the bargaining unit members participating in said meetings shall not lose any pay for time spent attending the meetings.

Joint meetings held to investigate incidents or rules infractions and/or to administer disciplinary action will be held during regular working hours to the extent possible. Incidents reasonably anticipated to involve disciplinary action of a suspension without pay or discharge may be attended by a representative of the Union's choosing. All other investigatory meetings or meetings to administer discipline shall be attended by the local Union steward. Bargaining unit employees participating in said meetings shall not lose any pay for time spent attending said meetings.

The Area Representatives will be considered local for the purposes of this provision for meetings held at their home operating center. If the Company requests that an Area Representative attend any meeting, the Area Representative's attendance at that meeting will be without loss of pay.

Other than as set forth above or in some other provision of this Agreement, any time spent by bargaining unit employees engaging in Union business, including preparation for and participating in negotiations, will be without pay. Time spent performing any work for the Union that would otherwise be without pay may be compensated from the Union Activities Fund which shall be funded as set forth in this Agreement.

### **ARTICLE 36** **Union Activity Fund**

The Company shall set aside \$60,000 to be available for the Union during the term of this Agreement. This amount may be used to pay for the time of bargaining unit employees who are employees of the Company to engage in Union business (i.e., training materials, training, conferences and other similar purposes), if that time would not otherwise be paid by the Company. This may also be applied to pay healthcare expenses for the Union President, if on leave from the Company.

In the event the employees are paid from the Union Activities Fund, their time will be charged to the appropriate charge number.

### **ARTICLE 37** **Job Titles**

The wage rates in effect during the term of the Agreement shall be as set forth in the Schedule of Job Classifications and Wage Rates contained in this Agreement.

The Company may establish new or substantially changed jobs and set a wage rate. The newly established wage rate is subject to referral to the grievance process between 60 and 90 days after the rate is implemented.

Accountant	Instrument Repairman – A
Accounts Receivable Trainee	Leader Repairman
Accounts Receivable Specialist	Regulator Specialist I
Corrosion Tech. – C	Regulator Specialist II
Corrosion Tech. – B	Regulator Specialist III
Corrosion Tech. – A	Regulator Specialist, Senior
Corrosion Technician, Senior	Regulator Technician, Senior
Customer Account Rep I	Service Operator, Senior
Customer Account Rep II	Service Technician I
Customer Account Rep III	Service Technician II
Customer Account Rep – Admin. Sr.	Service Technician III
Customer Account Rep. – Con. Ctr., Sr.	Service Technician, Senior
Design Tech. – Gas, Senior	Surveyman – C
Design Technician I	Surveyman – B
Design Technician II	Surveyman – A
Design Technician, Senior	Technical Clerk – Gas Construction
Dispatcher	T&D Operator
Energy Distribution Specialist	T&D Operator, Senior
Gas Measurements Clerk	UCT I
Gas Meterman – B	UCT II
Gas Meterman – A	UCT III
Gas Meterman, Senior	UCT, Senior
Instrument Repairman - B	UCT, Compliance Technician

**ARTICLE 38**  
**Pay**

**1. Jury Duty**

Employees will be permitted time off with scheduled straight time pay for all time reasonably required to discharge duties resulting from subpoena for jury duty or as a witness in an action to which the employee is not a party.

- Any employee who may be subpoenaed for jury service or to appear locally as a witness in Court, or before any other body empowered by law to compel attendance of witness by subpoena, shall be excused from work and paid at regular straight time hourly rate for the time the employee serves in that capacity during the employees regularly scheduled work time.
- The employee serving on such jury or appearing as a witness shall spend as much time on the regular job as the employee can.

**2. Replacement of Personal Property**

Personal property, i.e., boots, glasses, clothing, dentures, etc. broken or damaged beyond continued use while being worn and used by bargaining unit employees in their performance of



assigned work duties will be replaced or repaired at the Company's expense, excluding costs covered by medical insurance or Workers Compensation.

### **3. Clothing/Safety Shoe Allowance**

Employees are expected to wear during working hours articles of clothing that an employee has purchased through the Company uniform store, provided that the Company store offers the necessary clothing. Each employee shall be given a uniform/safety shoe allowance at the beginning of each calendar year, starting January 1, 2006, in the amount of \$450 for the purchase of uniforms/safety shoes. This allowance shall be spent in each year with no carryover of one year's allocation to the next.

- It is the responsibility of an employee to keep their uniforms clean and presentable. Torn, tattered, non-presentable clothing shall be replaced.
- Modification to clothing for purposes other than size adjustment is not permitted. This includes the affixation of decals and insignias.
- Replacement of clothing by the Company due to extenuating circumstances is at the discretion of the supervisor.
- An original receipt is required as proof of purchase if not purchased through the Company uniform store.
- A reasonable sized Union insignia may also be affixed.
- Employee's name on the uniform is at the employee's option.

New employees shall be provided all necessary outerwear in addition to the uniform allowance set forth above.

Vectren employees are expected to meet the safety requirements of their jobs. Foot protection is one of those requirements. Employees in job classifications requiring safety shoes or boots shall wear only footwear meeting the applicable ANSI standard.

- Footwear must be sturdy, in good condition, provide good support and have adequate tread to prevent slipping.
- Boots are to be above the ankle to provide good ankle support.

The amount of uniform/safety shoe allowance shall increase by the lesser of the overall annual percentage increase in the cost of the uniforms or \$15 January 1 of each year of this Agreement.

### **4. Meal Expense**

During overtime, meal expenses of \$10.00 per meal shall be paid at 5-hour intervals, after 10 consecutive hours of work and after 5 hours on call-ins. Employees who return to work within one and one-half hours of their normal quitting time shall continue to receive meal allowances as if they continued to work.

10-hour shift employees are the exception. They will be paid after working twelve (12) consecutive hours and 5-hour intervals thereafter. Employees who work a 10-hour schedule

each day and work overtime on their scheduled day off are entitled to one meal ticket after working ten (10) consecutive hours.

Employees are paid a meal allowance unless a meal is provided. Good judgment is the guide when defining what a meal is.

Employees may choose to purchase their own meal. They are allowed to spend a “reasonable” amount of time to eat. Employees are paid for time they spend at the restaurant. In lieu of breaking for a meal during an overtime assignment, an employee may, with supervisory approval, take up to ½ hour of paid mealtime after completing the overtime assignment.

## **5. Severance**

If the employee’s work location is closed/consolidated or the employee’s job is relocated to a work location which results in an additional commute from the employee’s home to the employee’s new reporting location of more than thirty-five (35) miles, the following severance shall be made available.

A lump sum-one time payment equal to one (1) week of pay at the regular straight time hourly rate for each full or part year of continuous employment, with a minimum of four (4) weeks.

Voluntary means solely the decision of each eligible employee to accept.

Acceptance of this offer will terminate employment with the Company and all seniority rights under this Agreement. Employees who accept this offer will sign a Separation Agreement, Waiver and Release of Claims against the Company and the Union. The document describing the Separation Agreement is in the Labor Agreement Reference Book on page 33.

## **6. Safety Incentive**

The Company will pay an annual incentive for safety. The goals will be established by the Company and the payout will be \$100 at Threshold, \$200 at Target and \$300 at Maximum.

## 7. Wages

### Approved Pay Rates and Job Titles

Job Title	Rate Effective 11/1/05 3.5% + \$.32	Rate Effective 11/1/06 3.5% + \$1.40/hr	Rate Effective 11/1/07 3.5%	Rate Effective 11/1/08 3.5% + \$1.39/hr
Accountant	\$19.21	\$21.28	\$22.03	\$24.19
Accounts Receivable Trainee	\$13.08	\$14.94	\$15.46	\$17.39
Accounts Receivable Specialist	\$17.45	\$19.47	\$20.15	\$22.24
Corrosion Technician - C	\$15.77	\$17.72	\$18.34	\$20.38
Corrosion Technician - B	\$17.48	\$19.49	\$20.17	\$22.27
Corrosion Technician - A	\$20.94	\$23.07	\$23.88	\$26.10
Corrosion Technician - Senior	\$20.64	\$22.76	\$23.56	\$25.77
Customer Account Rep I	\$15.62	\$17.56	\$18.18	\$20.20
Customer Account Rep II	\$16.39	\$18.37	\$19.01	\$21.07
Customer Account Rep III	\$17.66	\$19.67	\$20.36	\$22.47
Customer Account Rep - Admin. Sr.	\$18.13	\$20.17	\$20.87	\$22.99
Customer Account Rep - Con Ctr., Sr.	\$18.13	\$20.17	\$20.87	\$22.99
Design Technician - Gas, Senior	\$21.95	\$24.12	\$24.96	\$27.23
Design Technician I	\$19.26	\$21.33	\$22.08	\$24.24
Design Technician II	\$21.26	\$23.40	\$24.22	\$26.46
Design Technician, Senior	\$21.95	\$24.12	\$24.96	\$27.23
Dispatcher	\$19.21	\$21.28	\$22.03	\$24.19
Energy Distribution Specialist	\$21.67	\$23.83	\$24.66	\$26.92
Gas Measurements Clerk	\$18.40	\$20.45	\$21.16	\$23.29
Gas Meterman - B	\$16.65	\$18.64	\$19.29	\$21.35
Gas Meterman - A	\$17.84	\$19.87	\$20.56	\$22.67
Gas Meterman - Senior	\$18.40	\$20.45	\$21.16	\$23.29
Instrument Repairman - B	\$18.40	\$20.45	\$21.16	\$23.29
Instrument Repairman - A	\$20.17	\$22.28	\$23.06	\$25.25
Leader Repairman	\$20.37	\$22.48	\$23.27	\$25.47
Regulator Specialist I	\$18.00	\$20.03	\$20.73	\$22.84
Regulator Specialist II	\$19.33	\$21.41	\$22.16	\$24.32
Regulator Specialist III	\$20.88	\$23.01	\$23.81	\$26.03
Regulator Specialist, Senior	\$21.54	\$23.69	\$24.52	\$26.77
Regulation Technician, Senior	\$20.64	\$22.76	\$23.56	\$25.77

**Approved Pay Rates and Job Titles**

<b>Job Title</b>	<b>Rate Effective 11/1/05 3.5% + \$.32</b>	<b>Rate Effective 11/1/06 3.5% + \$1.40/hr</b>	<b>Rate Effective 11/1/07 3.5%</b>	<b>Rate Effective 11/1/08 3.5% + \$1.39/hr</b>
Service Operator, Senior	\$18.40	\$20.45	\$21.16	\$23.29
Service Technician I	\$16.25	\$18.22	\$18.85	\$20.90
Service Technician II	\$17.18	\$19.18	\$19.85	\$21.94
Service Technician III	\$18.43	\$20.48	\$21.19	\$23.33
Service Technician, Senior	\$19.21	\$21.28	\$22.03	\$24.19
Surveyman - C	\$17.01	\$19.01	\$19.68	\$21.75
Surveyman - B	\$19.21	\$21.28	\$22.03	\$24.19
Surveyman - A	\$20.62	\$22.74	\$23.53	\$25.75
Technical Clerk - Gas Construction	\$18.40	\$20.45	\$21.16	\$23.29
T & D Operator	\$20.88	\$23.01	\$23.81	\$26.03
T & D Operator, Senior	\$21.54	\$23.69	\$24.52	\$26.77
UCT I	\$16.37	\$18.35	\$18.99	\$21.04
UCT II	\$17.50	\$19.51	\$20.20	\$22.29
UCT III	\$18.77	\$20.83	\$21.56	\$23.70
UCT, Senior	\$20.64	\$22.76	\$23.56	\$25.77
UCT, Compliance Technician	\$19.37	\$21.45	\$22.20	\$24.37

**FOOTNOTES**

- A premium of 50 cents per hour for all pay hours will be paid to employees performing welding or directional boring on a regular basis.
- Employees performing welding or directional boring on a temporary basis will be paid the premium for the time such work is performed.

**ARTICLE 39**  
**Term of Agreement**

This Agreement is effective upon signing and remains in effect until 11:59 PM, October 31, 2009.

It shall continue in effect from year to year thereafter unless, by written notice delivered by certified mail not less than 60 days prior to its expiration, a party gives notice of its termination. Should both parties agree to renegotiate wages or benefits that action shall not operate as a termination of this agreement.

Any provision of the agreement invalidated by law or governmental proclamation is severable and negotiable, and shall not affect the validity of other provisions of this agreement.

**ARTICLE 40**  
**Letters of Understanding**

**1. Letter of Understanding – Safety / 3<sup>rd</sup> Edition Safety Manual**

It is the understanding of the parties that if the Vectren Wide Safety Committee comes out with a Vectren Wide Safety Manual in the future, and the Union raises concern over a significant safety item(s) that was changed from the 3<sup>rd</sup> Edition Safety Manual (3<sup>rd</sup> Edition Safety Manual that was in effect on January 1, 2005) the Company agrees to negotiate with the Union over those items to agreement. If agreement cannot be reached between the parties the issue of concern will revert back to the 3<sup>rd</sup> Edition Safety Manual for the remainder of the term of this agreement.

**2. Letter of Understanding – Misassigned/Make-Up Overtime**

It is the understanding of the parties that when overtime is misassigned, make-up overtime will be the appropriate remedy unless the misassignment is intentional or the employee has been repeatedly skipped over for overtime assignments. In those cases, pay will be the remedy for the overtime misassignment.

**3. Letter of Understanding – Contracting-Hiring New Employees**

The Company agrees to hire a minimum number of bargaining unit employees during the term of the Agreement per the following schedule:

Calendar year 2005	2
Calendar year 2006	10
Calendar year 2007	8
Calendar year 2008	8
Calendar year 2009	5

**4. Letter of Understanding – Arbitrator Award**

The Company will withdraw its request for clarification of the Arbitrator Render's award and calculate the retirement benefits of the approximately 85 affected employees in accordance with his award.