

SECTION 285.305

General Information Requirements Applicable for All Utilities Subject to this Part
Utility: The Peoples Gas Light and Coke Company

Subpart (f)

AGREEMENT

Date April 28, 2005

by and between

THE PEOPLES GAS LIGHT AND COKE COMPANY

and

**GAS WORKERS UNION, LOCAL 18007
UTILITY WORKERS UNION OF AMERICA,
AFL-CIO**

This page left blank.

CONTENTS

Section	Page
PREAMBLE	1
ARTICLE I: UNION AND COMPANY SECURITY	
1. Recognition of Union	1
2. Union responsibility	1
3. No lockout, strike, slowdown or stoppage of work	1
4. Nondiscrimination	2
5. Union membership requirements and trial period	2
6. Deductions for dues and initiation fee	3
7. Transmittal of deductions	5
8. Successor clause.....	5
ARTICLE II: TERM OF AGREEMENT	
1. Term of Agreement	6
2. Notice for termination and formulation of new Agreement or amendment of Agreement.....	7
3. Negotiation procedure.....	7
ARTICLE III: STEWARDS, BULLETIN BOARDS, AND LEAVES OF ABSENCE	
1. Duties of Stewards	7
2. Use of bulletin boards for Union notices	8
3. Leaves of absence of Union officials	8
ARTICLE IV: GRIEVANCES	
1. General provisions of Grievance Procedure	8
2. Step 1 – Employee and Steward, or other Union official, with immediate superior.....	9
3. Step 2 – Steward and/or Business Manager with Manager; Steward and/or Business Manager with Department Head	9
4. Step 3 – Submission of grievance facts in writing	9
5. Step 4 – Arbitration procedure	9

CONTENTS – Continued

Section	Page	
ARTICLE V: BENEFIT PLANS		
1. Benefit Plans applicable to employees	10	
2. Termination and modification of Plans	10	
ARTICLE VI: CONTRACT WORK – Production and Maintenance Employees		11
ARTICLE VII: SENIORITY		11
ARTICLE VIII: WORKING CONDITIONS		
A. Production and Maintenance Employees		
1. Normal work schedule	11	
2. Workday and workweek	11	
3. Uniform working hours and notice of change	12	
4. Changes in starting time due to emergencies	12	
5. Posting shop work schedules	12	
6. Reporting point for shop work and starting times	12	
7. Emergency call-in work schedules	14	
8. Overtime work hours not offset by time off	14	
9. Distribution of overtime work	14	
10. Meal allowances	15	
11. Holidays observed	15	
12. Other working conditions	15	
13. Time allowed for death in family	16	
14. Employees excluded from Agreement	16	
B. Clerical Employees		
1. Normal work schedule	17	
2. Uniform working hours and notice of change	17	
3. Meal allowances	17	
4. Overtime work hours not offset by time off	17	
5. Holidays observed	17	
6. Time allowed for death in family	18	
7. Preservation of clerical work; employees excluded from Agreement	18	

CONTENTS – Continued

Section	Page
ARTICLE IX: WAGES AND OVERTIME	
A. Production and Maintenance Employees	
1. Effective date for rates of pay; regular rate of pay defined	19
2. Shift premium pay – when payable	19
3. Regular rate of pay; time and one-half pay – when payable	19
4. Pay for Sunday work	21
5. Holiday allowance; pay for holiday worked	21
6. Kinds of absent time counted as hours worked	22
7. Computation of overtime hours – no “pyramiding”	22
8. Allowance for emergency call-in	22
9. Allowance for change in starting time	22
10. Pay rate on temporary and permanent transfers	22
B. Clerical Employees	
1. Effective date for rates of pay	23
2. Pay for work outside of regular schedule	23
3. Pay for work in excess of eight hours on a Sunday ..	24
4. Holiday allowance; pay for holiday worked	24
5. Shift premium pay – when payable	25
6. Allowance for change in starting time	25
ARTICLE X: TUESDAY THROUGH SATURDAY WORKWEEK	
1. Establishment of workweek.....	25
2. Applicable conditions	25
3. 4/10 Saturday Schedule	26
4. Holiday recognition.....	28
5. Applicable wage and overtime provisions	28
6. Limitation to Field Service	29
ARTICLE XI: OPERATIONS APPRENTICE CLASSIFICATION.....	29
ARTICLE XII: MANAGEMENT RESPONSIBILITIES	33
SIGNATURES	34

CONTENTS – Continued

Section	Page
EXHIBIT I: CLASSIFICATION OF POSITIONS AND SCHEDULE OF RATES – PRODUCTION AND MAINTENANCE EMPLOYEES	
Operations Division – Operations Apprentice.....	36
Distribution Department – District Shops	37
Engineering Department – Gas Operations Section	39
Engineering Department – Fleet Management Section	40
Field Service Department – District Shops	41
Field Service Department – Meter Testing and Repair Section	42
Engineering Department – Materials Management Section	43
EXHIBIT II: CLASSIFICATION OF POSITIONS AND SCHEDULE OF RATES – CLERICAL EMPLOYEES	
Field Service Department – Meter Testing and Repair Section	44
APPENDIX I: PAID TIME OFF (PTO) BANK PLAN	45
APPENDIX II: SICKNESS BENEFIT PLAN	52

THIS AGREEMENT, made and entered into this 28th day of April, 2005 by and between THE PEOPLES GAS LIGHT AND COKE COMPANY, an Illinois corporation hereafter referred to as the "Company," and the GAS WORKERS UNION, LOCAL 18007, UTILITY WORKERS UNION OF AMERICA, AFL-CIO, hereafter referred to as the "Union."

WITNESSETH: THAT 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, the Union, and the general public may mutually benefit, the parties agree as follows:

ARTICLE I - UNION AND COMPANY SECURITY

Section 1. The Company recognizes the Union as the exclusive bargaining agent of the employees in the bargaining unit which consists of employees covered by the Classifications of Positions and Schedules of Rates attached to this Agreement, and identified as Exhibits I and II. The word "employee" as used in this Agreement means an employee in the bargaining unit or, where the context so indicates, an employee covered by one of the separate aforesaid Exhibits.

Section 2. The Union recognizes the responsibility assumed by it as the exclusive bargaining agent of the employees in the unit. As part of this responsibility, it pledges the full cooperation of its membership to maintain continuous gas service to the public and to promote the economic success of the Company, in order that the maximum opportunity for continuous employment, good wages, and good working conditions may continue.

Section 3. The Company agrees that there will be no lockout of the employees in the unit, and the Union agrees that it will not authorize, instigate, aid, or condone any strike, slowdown, or stoppage of work. In the event of any wildcat or unauthorized strike, slowdown, or stoppage of work, the Union will immediately direct its members to resume normal operations, and, if the Union does so, the Company will not hold the Union liable for the unauthorized acts or activities of its members.

It is understood that the Company has the right to discharge or discipline any employee who causes or participates in any strike, slowdown, or stoppage of work. Such discharges or discipline shall be subject to the Grievance Procedure set forth in Article IV.

Section 4. The provisions of this Agreement shall apply to all employees without unlawful discrimination on account of race, color, sex, creed, national origin or physical and/or mental handicap or participation in lawful Union activity.

Section 5. As a condition of employment in the unit, all employees employed in the unit on or after the effective date of this Agreement who are not members, shall, at the expiration of thirty days after being employed, become members of the Union and all members of the Union shall maintain their membership.

For the purposes of this Agreement an employee shall be deemed to have become a member and to have maintained his/her membership in the Union if he/she pays or tenders to the Union, in the manner hereinafter provided, the Union initiation fee in the amount established by the Union Constitution not in excess of \$180.00 and the monthly Union dues in the amount established by the Union Constitution.

The Union agrees that it will accept into membership all employees in the unit and will not attach as a prerequisite of membership any condition other than that the applicant shall pay the aforesaid Union initiation fee and monthly Union dues.

The Union shall notify the Company in writing of any instance in which an employee has failed to become a member or to maintain his/her membership in the Union by becoming in arrears in the payment of the Union initiation fee and dues. The Company shall have ten days (excluding Saturdays, Sundays, and holidays) following the receipt of such notice within which to investigate the matter. The Union will not ask, prior to the expiration of the ten day period, for the discharge of any employee, and the Company shall not be required to discharge any employee who during the period pays or tenders the amount of the Union initiation fee and dues then due and payable by him/her. All requests for discharges shall be in writing.

Each newly hired employee shall be on trial for a period of 180 days after being employed. If his/her services are terminated by the Company during this trial period, such action shall not be subject to the grievance procedure.

Section 6. During the term of this Agreement, the Company will deduct from compensation due each employee in the unit, who has authorized such deductions in writing and delivered such authorization to the Company, the following:

- (a) On the first pay day of each month, the monthly Union dues in the amount established by the Union Constitution,
- (b) On the second pay day of each month for the first six months from the date of employment, one installment equal to one-sixth of the Union initiation fee in the amount established by the Union Constitution not in excess of \$180.00 in payment of such initiation fee, if any, then owed by such employee.

The authorization for the foregoing deductions shall be in substantially the following form:

**GAS WORKERS UNION, LOCAL 18007, U.W.U.A., AFL-CIO -
AUTHORIZATION FOR PAYROLL DEDUCTION**

The Peoples Gas Light and Coke Company
Chicago, Illinois

I authorize and direct The Peoples Gas Light and Coke Company to deduct from compensation payable to me and to remit to the Gas Workers Union, Local 18007, U.W.U.A., AFL-CIO, in accordance with the current Agreement between the Company and the Union, Union dues and Union initiation fee, as follows:

- (a) _____ monthly Union dues in the amount from time to time established by the Union Constitution, to be deducted on

the first pay day of each month beginning with the month of _____, year of _____, to cover my dues for that month and a like amount with respect to any month during which I have been on leave of absence, other than military leave, if the Company shall have been advised in writing by the Union that my dues are owing and have not been paid for that month,

(b) the Union initiation fee in the amount from time to time established by the Union Constitution, provided such initiation fee is owed by me, one-sixth, or as near thereto as practicable, of such Union initiation fee to be deducted monthly on the second pay day of each month beginning with the month of _____, year of _____.

In the event that this authorization shall not be received by the Company at least ten (10) days prior to the pay day on which the initial deductions are scheduled to be made, then there shall be deducted from compensation payable to me on the next following first pay day of the month, which shall be at least ten (10) days subsequent to the delivery of this authorization to the Company, the deductions scheduled to be made hereunder for such month and, in addition thereto, the deductions scheduled to be made hereunder for the prior month or months (less the amount deducted, if any, under any prior existing authorization made by me for such deductions for such month or months).

This authorization shall supersede and cancel all prior authorizations made by me for such deductions, when deductions shall be commenced to be made pursuant to the terms hereof.

This authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to the Company, or until termination of the Agreement between the Company and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner, and I agree and direct that this authorization and direction shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable Agreement between the Company and the Union, whichever shall be shorter, if provisions for these deductions are contained in the then current Agreement; provided, however, that this authorization may be revoked by me by giving written notice to the

Company and the Union at least sixty (60) days and not more than ninety (90) days prior to the expiration of each period of one (1) year or of each applicable Agreement between the Company and the Union, whichever occurs sooner, and this authorization shall automatically terminate on the day I cease to be employed in the bargaining unit.

Signature of Employee	Address of Employee
Date Signed _____	Date Delivered To Company _____

Section 7. Within fifteen days after any deduction of dues or initiation fees is made pursuant to Section 6 of this Article, the Company will wire-transmit the amount so deducted to a bank account designated by the Union to receive such funds. At or about the same time, the Company will send the following lists, as applicable, to the Financial Secretary-Treasurer, Gas Workers Union, Local 18007, U.W.U.A., AFL-CIO, 300 South Ashland Avenue, Suite 307, Chicago, IL 60607, or to such other representative as may be designated in writing by the Union:

- (a) Employees whose Union dues have been deducted;
- (b) Employees whose Union dues have been deducted for the first time;
- (c) Employees whose Union dues were deducted in the previous month and who have since been separated from the unit;
- (d) Employees whose Union initiation fees have been deducted.

Section 8. This Agreement shall be binding upon any successor which acquires the Company's stock and thereafter

engages in the business of selling and distributing natural gas to customers in the City of Chicago. In such case, the Company shall make it a condition of the transaction that the successor shall be bound by the terms of this Agreement. If any of the Company's assets or operations are acquired other than by acquisition of the Company's stock, this Agreement shall be binding on the successor only to the extent required by operation of law. This Section shall not be the basis for imposing any liability on the Company.

ARTICLE II - TERM OF AGREEMENT

Section 1. This Agreement shall be effective as of May 1, 2005, shall supersede and cancel all previous agreements between the parties and shall remain in effect until midnight on April 30, 2008, and shall continue in effect from year to year thereafter unless notice is given as provided in Section 2 of this Article II. This Agreement shall constitute the full and complete agreement as to rates of pay, wages, hours of employment, and other conditions of employment of the employees in the unit, except the agreements as to the subjects of:

- (a) Service annuity benefits, pensions, retirement, the Peoples Energy Corporation Service Annuity System, and all related matters, and the full and complete agreement with respect thereto is set forth in a separate and independent agreement;
- (b) Plans for the purchase or option of stock or other securities and the Peoples Energy Corporation Employee Stock Purchase Plan, and all related matters, and the full and complete agreement with respect thereto is set forth in a separate and independent agreement;
- (c) Hospitalization, surgical, medical and dental benefits, the Medical and Dental Plan and the Medicare Supplement Plan, health maintenance organizations, and all related matters, and the full and complete agreement with respect thereto is set forth in a separate and independent agreement;

- (d) Life insurance benefits, the Group Life Insurance Plans, and all related matters, and the full and complete agreement with respect thereto is set forth in a separate and independent agreement;
- (e) Employee stock ownership, employee stock ownership plans, the Peoples Energy Corporation Employee Stock Ownership Plan, and all related matters, and the full and complete agreement with respect thereto is set forth in a separate and independent agreement; and
- (f) Employee thrift plans, employee savings plans, the Peoples Energy Corporation Employee Thrift Plan, and all related matters, and the full and complete agreement with respect thereto is set forth in a separate and independent agreement.

Section 2. Each party shall have the right, not more than ninety days nor less than sixty days before the end of the initial term of the Agreement or any annual extension thereof, to serve notice on the other party by certified mail of a desire to terminate and formulate a new Agreement or to change and amend the Agreement.

Section 3. The parties agree that, within five days after receipt of such written notice, they will commence negotiations on any proposed change or the execution of a new agreement, and will prosecute such negotiations with the utmost diligence. If the negotiations are not completed by the end of a contract year, the Company and the Union may extend the Agreement by mutual consent and, in the event the Agreement has been so extended and continued in full force and effect until a new or amended Agreement is executed, all provisions and changes agreed upon by the parties shall be retroactive to the beginning of the new contract year.

ARTICLE III - STEWARDS, BULLETIN BOARDS, AND LEAVES OF ABSENCE

Section 1. The Union shall have a steward or stewards in each department employing Union members, whose duties shall be to see that the provisions of this Agreement are observed and to attempt to

adjust disputes or differences referred to them by any employee covered by this Agreement.

Section 2. The Union shall be granted suitable space in the upper right-hand corner of the bulletin board in each department having Union employees. The Union may, without requiring approval, post death notices, notices of nominations and elections, and notices of regular or special meetings. Other Union notices shall be subject to the approval of the Company before they are placed on bulletin boards. Stewards or Union officers may post the notices on bulletin boards.

Section 3. The Company shall grant a leave of absence of one year to any employee selected to a full-time position by the Union in the conduct of its operations. Such leaves of absence shall be limited to a total of four employees at any one time.

Any period during which an employee is or has been on authorized leave of absence while serving as Business Manager of the Union shall be included within his/her period of service and seniority for all purposes under this Agreement, including the Plans set forth in Appendices I and II hereto.

ARTICLE IV - GRIEVANCES

Section 1. Should any dispute or difference arise between the Company and the Union or its members as to the interpretation or application of any of the provisions of this Agreement, the dispute or difference (hereinafter sometimes referred to as a "grievance") shall be settled through the Grievance Procedure as hereinafter provided.

A grievance shall be presented for consideration as promptly as possible, and in no event later than thirty days after it occurs.

A grievance shall be processed from step to step promptly. The last decision given on any grievance in any of the first three steps shall be considered a satisfactory adjustment unless, within ten days after the decision has been given, the grievance is carried to the next step. However, if the tenth day falls on a Saturday, Sunday or holiday, the ten-day period shall be extended until the next business day.

The procedure for the settlement of a grievance shall be as follows:

Section 2. (Step 1). The grievance shall first be discussed by the employee and his/her steward, or other Union official, with the employee's immediate superior.

Section 3. (Step 2). If the grievance is not satisfactorily adjusted in Step 1, it shall be discussed by the Union steward and/or the Business Manager of the Union and the local Manager and, if not satisfactorily adjusted, the Department Head. In any meeting held between the Business Manager and the department head (Step 2B), the Company will pay the employee and one Union representative (other than the Business Manager) for their time lost from work to attend the meeting, provided the maximum amount of such pay for any grievance shall be one (1) hour of pay for the employee and one (1) hour of pay for the Union representative. The employee shall have the right to be present at any such discussions.

Section 4. (Step 3). If the grievance is not satisfactorily adjusted in Step 2, the Business Manager of the Union shall so notify the Company in writing, stating the facts in the dispute. Upon receipt of such notice the Company shall make an investigation and shall call a meeting of representatives of the Company and representatives of the Union, to be held within ten days after the receipt of such notice, for the purpose of adjusting the grievance.

Section 5. (Step 4). If the grievance is not satisfactorily adjusted in Step 3, it shall be referred to arbitration upon request of either party. The arbitration procedure shall be as follows:

- (a) If the parties do not agree on an arbitrator within five (5) days after a request for arbitration, the parties shall request the Federal Mediation and Conciliation Service (FMCS) to furnish a list of names of five (5) arbitrators, all of whom are members of the National Academy of Arbitrators residing in the States of Illinois, Indiana, Iowa, Michigan or Wisconsin, and none of whom have served as an arbitrator for the parties within the preceding twelve (12) months. The parties shall alternate paying the fee charged by the FMCS for

providing the panel of arbitrators. Within five (5) days after receipt of this list, the party requesting arbitration shall strike two (2) names from the list and the other party within five (5) days after this action shall likewise strike two (2) names from the list. The remaining named person shall be the arbitrator.

- (b) The arbitrator shall, after hearing testimony and considering the facts, give his/her decision on the grievance. The decision shall be binding on the employee, the Company, and the Union.
- (c) Each party shall pay one-half of the expenses of the arbitrator.
- (d) The arbitrator shall be governed wholly by the terms of this Agreement and shall have no power to add to or change its terms.

ARTICLE V - BENEFIT PLANS

Section 1. The following benefit plans shall be applicable to employees covered by this Agreement:

- (a) The Paid Time Off (PTO) Bank Plan as set forth in Appendix I hereto;
- (b) The Sickness Benefit Plan as set forth in Appendix II hereto;
- (c) The Termination Allowance Plan; and
- (d) The Long Term Disability Plan.

Section 2. Notwithstanding any language contained in the plans referred to in Section 1 above, the Company shall not exercise its right to terminate or modify any of said plans during the term of this Agreement.

ARTICLE VI - CONTRACT WORK

Production and Maintenance Employees

The Company agrees that it will endeavor in good faith to preserve for production and maintenance employees work of the kind which is presently being performed by them under the existing Company policies.

The Company agrees that it will not contract any work which is ordinarily and customarily done by its regular production and maintenance employees, if, as a result thereof, it would become necessary to lay off or reduce the rate of pay of any such employees.

In cases of unusual items of work which the Company contemplates letting out on contract, consideration will be given to having such work done by its production and maintenance employees.

ARTICLE VII - SENIORITY

It is understood and agreed that in all cases of promotion, transfer, and demotion of employees under this Agreement, the Company will consider the ability to perform the work, and the seniority of each of the eligible candidates. When the abilities of the candidates are equal, seniority, not only in the Company but also in a particular classification, shall be the governing factor. Demotions and layoffs for lack of work shall be solely on the basis of seniority and the employee laid off last shall be rehired first.

ARTICLE VIII - WORKING CONDITIONS

A. Production and Maintenance Employees

Section 1. Except for certain shift employees, the normal weekly work schedule of an employee shall be five daily work periods of eight hours each.

Section 2. The workweek shall start at 12:01 a.m. Sunday. The workday shall be a calendar day and shall start at 12:01 a.m. When a continuous work period extends from one calendar day into the following calendar day, the hours worked in each calendar day shall be

accounted for on the basis of the calendar day in which they are worked.

Section 3. The Company shall attempt to have uniform working hours for day and night operations, but must reserve the right to have such flexibility in working hours as to properly conduct its operations. The Company will generally give twelve hours' notice of any change in the starting time of an employee.

Section 4. The Company reserves the right to make changes in the starting time of an employee to best cope with the emergency nature of its business. By "emergency" is meant breakdowns in operation, peak work loads resulting from climatic changes, unavailability of personnel, and changes in operation that cannot be foreseen or scheduled.

Section 5. For shop operations, the Company shall post daily the starting times and names of employees who are to report for work on the following day. One week in advance the Company shall post a schedule showing starting times of the employees who are to work on a holiday. Each Monday the Company shall post the starting times of employees who are to work the following weekend. These postings will cover only those employees who normally work under this arrangement.

Section 6. Shop work shall start and end at the shop. The morning starting times shall be 8:00 a.m. and 8:30 a.m.

The morning starting time for the meter repair operation shall be 7:30 a.m.

The Company may assign Fleet Management Section employees to 6:00 a.m., 7:00 a.m., 2:30 p.m., and 3:30 p.m. starting times.

On an annual basis, Senior Service Specialists No. 1 and No. 2 and Service Specialists will be allowed to bid for their location assignment (shop or sub-shop) and starting time (6:30 a.m., 7:00 a.m., 8:00 a.m., 10:00 a.m., 1:30 p.m., 3:30 p.m., midnight) within their current District. Prior to the submission of bids, Gas Operations management will determine the required complement of each classification at each location and starting time. Changes in assignments required between annual bidding processes (e.g., because

of the retirement of an employee or a decision by management to adjust the required complement) will be made on the basis of classification seniority. However, temporary changes, of one week or less, required due to employee absences will be made without regard to seniority within the sole discretion of Gas Operations management.

Notwithstanding the foregoing, Gas Operations management will observe the following limitations in assigning Senior Service Specialists and Service Specialists to starting times:

- (a) While an unlimited number of Senior Service Specialists and Service Specialists may be assigned to the 7:00 a.m. starting time to work alone or in a fitting crew, the Company will assign only one fitting crew consisting of a Senior Service Specialist No. 1 and an Operations Apprentice or higher classification to the 7:00 a.m. starting time.
- (b) The Company will assign only volunteers to the 6:30 a.m. starting time.
- (c) The Company may assign Senior Service Specialists to the 10:00 a.m. starting time to perform customer service request work and any work within the Service Specialist classification. However, the Company will assign no more than six Service Specialists per District to the 10:00 a.m. starting time to perform any work within their classification (not customer service request work). The Company shall have the right to assign an employee to the day shift in order to provide a reasonable period of training or experience in order to be able to perform the work on the 10:00 a.m. shift.
- (d) The Company will assign no more than three crews per District to the 1:30 p.m. starting time, Monday through Friday. These employees may be assigned to work separately (not in a crew) until the previously negotiated times of day when the Company has agreed to assign Service employees to work in two-person crews.

The Company may assign corporation inspectors to a 7:00 a.m. to 3:30 p.m. shift.

The Company may assign Materials Management Section employees to 6:30 a.m. to 3:00 p.m., 7:30 a.m. to 4:00 p.m., 10:00 a.m. to 6:30 p.m., 3:30 p.m. to 12 midnight, and 11:30 p.m. to 8:00 a.m. shifts.

The Company may assign Distribution Department employees to 6:00 a.m., 7:00 a.m., 8:00 a.m., 10:00 a.m., 3:30 p.m., and 12:00 midnight starting times, provided that the 10:00 a.m. shift will be staffed only by volunteers.

The Company may assign Gas Operations Section employees to a 7:00 a.m. or an 8:00 a.m. starting time.

Section 7. An employee called in for emergency work outside of his/her regular work schedule shall be provided with a minimum of four hours' work except as follows:

- (a) When such emergency work starts between the hours of 6:00 a.m. and 10:00 a.m. on any day on which such employee is not scheduled to work, he/she shall be provided with eight hours of work.
- (b) When such emergency work starts after 10:00 a.m. on any day on which such employee is not scheduled to work, he/she shall be provided with work until 5:30 p.m., or a minimum of four hours, whichever is greater.

Section 8. The Company shall not require an employee to take time off in any week to offset work he/she is called upon to do outside of his/her regular scheduled hours in such week.

Section 9. The Company shall endeavor to distribute daily overtime work, and holiday and Sunday work fairly among qualified employees within classifications during the term of this Agreement. Records of overtime shall be available for inspection by Union representatives and employees.

Section 10. An employee who works ten or more continuous hours shall be paid a meal allowance of \$8.25. If the work period continues beyond ten continuous hours, he/she shall be paid an additional meal allowance for each additional five hour period of continuous work which does not extend into his/her next regular shift. If an employee has worked five or more continuous hours during a work period which was either commenced or completed in a calendar day in which he/she worked a separate and additional period of at least eight hours, he/she shall be paid one meal allowance. Hours once counted in qualifying for a meal allowance shall not be used again in meal allowance computations. In continuous operations the employee will not leave the job and this meal allowance will be used for the purchase of such food as the employee requests.

Section 11. The Company observes the following holidays: New Year's Day, Decoration Day, the 4th of July, Labor Day, Veterans' Day, Thanksgiving Day, the Day after Thanksgiving Day, and Christmas Day, or the Monday following such holidays when the holiday falls on Sunday or the Friday preceding when the holiday falls on Saturday.

Section 12. The Company agrees:

- (a) To pay employee(s) the purchase price up to an allowance of \$75.00 for safety shoes purchased by employees (limit of one pair per Agreement year). Safety shoes must be construction grade with protective toe caps and shanks and must meet or exceed ANSI 241 standards. Employees will be reimbursed by P-card check after providing designated Shop management with a receipt of purchase.
- (b) To replace worn out, broken tools owned by Auto Mechanics and used in Company work, and to make available required specialized tools which are not part of an Auto Mechanic's standard tool kit.
- (c) To provide Distribution Department employees with a minimum of eight (8) hours work regardless of weather conditions when work is scheduled on Saturdays, Sundays, or holidays; and to provide Field

Service Department employees with a minimum of eight (8) hours work when work is scheduled on Saturdays, Sundays, or holidays.

- (d) To have Operations Apprentices performing meter reading work start work at 7:00 a.m., 7:30 a.m., 8:00 a.m., or 11:00 a.m. and return to their respective locations at such time as will permit the completion of their day's work by 3:30 p.m., 4:00 p.m., 4:30 p.m., or 7:30 p.m., respectively. No employee in the Meter Reader position prior to May 1, 1977 shall be assigned to the 11:00 a.m. starting time without his/her consent.
- (e) To assign at least one employee in a top mechanical classification to Crawford Station.

Section 13. An employee with one or more years of service will be allowed three days off with pay from his/her normal work schedule for the purpose of making funeral arrangements or attending the funeral of his/her parent, spouse, child, brother, sister, step-parent, step-child, step-brother, or step-sister.

If the death occurs just before or during an employee's scheduled PTO Bank absence, he/she will be allowed, for the purpose of making funeral arrangements or attending the funeral, the number of days off with pay which he/she would have been allowed under this Section if he/she had been working, provided he/she promptly notifies designated departmental management of the death. To the extent that such days off occur on scheduled PTO Bank days, he/she will be permitted to reschedule those PTO Bank days and ensuing PTO Bank days off during the scheduled PTO period.

Arrangements for such necessary absences shall be made in advance with the person who has been designated by departmental management to authorize such absences.

Section 14. A reasonable number of Engineers or other employees with special experience or training may be assigned to work temporarily in the various classifications covered by this Agreement as part of a training period, and, while so assigned, shall neither be

affected by provisions of this Agreement nor shall such assignment result in loss to employees covered by this Agreement of regular or overtime work within the classifications covered by this Agreement.

B. Clerical Employees

Section 1. The normal work schedule of employees in the unit consists of five eight-hour work periods commencing daily Monday through Friday. The shift starting and ending times shall be: 7:00 a.m. to 3:30 p.m.; 8:00 a.m. to 4:30 p.m.; 3:30 p.m. to midnight; 4:30 p.m. to 1:00 a.m.; and 12:00 midnight to 8:00 a.m. Such normal weekly work schedule shall be continued during the period of this Agreement.

Section 2. The Company shall attempt to have uniform working hours, but must reserve the right to have such flexibility in working hours as to properly conduct its operations. The Company will generally give twelve hours' notice of any change in the starting time of an employee.

Section 3. An employee who, upon proper authorization, works ten or more continuous hours shall be given a meal allowance of \$8.25. If the work period continues beyond ten continuous hours, he/she shall be given an additional meal allowance for each five hour period of continuous work which does not extend into his/her next regular shift. If an employee has worked five or more continuous hours during a work period which was either commenced or completed in a calendar day in which he/she worked a separate and additional period of at least eight hours, he/she shall be paid one meal allowance. Hours once counted in qualifying for a meal allowance shall not be used again in meal allowance computations. Any such meal allowance shall be in full reimbursement for all expenses incurred. Time spent in eating shall not be counted as time worked except upon proper authorization.

Section 4. The Company shall not require an employee to take time off in any week to offset work he/she is called upon to do outside of his/her regular scheduled hours in such week.

Section 5. The Company observes the following holidays: New Year's Day, Decoration Day, the 4th of July, Labor Day, Veterans' Day, Thanksgiving Day, the Day after Thanksgiving Day, and Christmas Day, or the Monday following such holidays when the holiday falls on

Sunday or the Friday preceding when the holiday falls on Saturday.

Section 6. An employee with one or more years of service will be allowed three days off with pay from his/her normal work schedule for the purpose of making funeral arrangements or attending the funeral of his/her parent, spouse, child, brother, sister, step-parent, step-child, step-brother, or step-sister. If the death occurs just before or during an employee's scheduled PTO Bank absence, he/she will be allowed, for the purpose of making funeral arrangements or attending the funeral, the number of days off with pay which he/she would have been allowed under this Section if he/she had been working, provided he/she promptly notifies designated departmental management of the death. To the extent that such days off occur on scheduled PTO Bank days, he/she will be permitted to reschedule those PTO Bank days and ensuing PTO Bank days during the scheduled PTO period.

Arrangements for such necessary absences shall be made in advance with the person who has been designated by departmental management to authorize such absences.

Section 7. The Company intends to preserve for the employees, during the period of this Agreement, clerical work which is presently being performed by them as part of their regular assignments but reserves the right to make improvements or changes in the methods of performing such clerical work. The Company will give the Union advance notice of any change in methods which will affect the status of any employee regularly engaged in such clerical work.

Clerical work which is presently being performed by the employees will not be assigned to supervisors or other employees not in the unit, except in temporary emergencies.

A reasonable number of Engineers or other employees with special experience or training may be assigned to work temporarily in the various classifications covered by this Agreement as part of a training period, and, while so assigned, shall neither be affected by provisions of this Agreement nor shall such assignment result in loss to employees covered by this Agreement of regular or overtime work within the classifications covered by this Agreement.

ARTICLE IX - WAGES AND OVERTIME

A. Production and Maintenance Employees

Section 1. The Classification of Positions and Schedule of Rates attached hereto as Exhibit I shall be in force and effect during the term of this Agreement and any renewal thereof.

The regular hourly rate of an employee shall be that of his/her position in the Classification subject to Section 10 of this Article IX, A.

Section 2. A night shift premium of \$1.35 per hour shall be added to the regular rate of pay of an employee for work scheduled on a shift beginning not earlier than 1:30 p.m., and ending not later than 8:00 a.m.. If an employee scheduled to work such a shift is required to continue working beyond the scheduled work period, he/she shall receive the shift premium for such additional hours worked. The applicable night shift premium shall be added to the regular hourly rate in computing premium pay, but it shall not be added in computing any absent time allowed pay.

Section 3. For all hours worked on any day other than a Sunday or holiday, an employee shall be paid at his/her regular rate, except that:

- (a) An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for hours worked in excess of eight on any such day. No overtime shall be paid for hours worked in excess of eight on any such day as an accommodation for a shift partner. Such accommodation work will not be permitted when it will result in hours of work in excess of forty in a workweek.
- (b) An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for hours worked in excess of forty in a workweek.
- (c) An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for hours worked in excess of eight on a specific job requiring a continuous

period of work which extends into the following calendar day and which may extend into the employee's regular scheduled work period on such following day.

- (d) An employee whose work schedule is changed so that he/she has only eight hours between work periods (short shift change), shall be paid at the rate of one and one-half times his/her regular hourly rate for the first eight hours of the new shift, except:
1. When the short shift change is made at his/her own request.
 2. When the short shift change is made for the convenience of a shift partner.
 3. When the short shift change occurs after he/she works on a Sunday or holiday not in his/her regular shift schedule or on one of his/her regular days off.
 4. When the short shift change occurs on one of his/her regular days off on which he/she works.

If the employee works in excess of eight hours on his/her short shift change and such work extends into his/her regular work period, he/she shall be paid his/her regular hourly rate during his/her regular work period.

- (e) An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for emergency work performed prior to his/her regular scheduled work period and as long as he/she continues to work on the emergency job even though it continues into his/her regular scheduled work period. An employee shall be paid at his/her regular hourly rate for work performed in the time remaining in his/her scheduled work period on work other than the emergency job. An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for emergency work performed after his/her regular scheduled work period or on his/her regular days off.

- (f) An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for emergency work requiring a continuous period of work extending into the following calendar day and which may extend into his/her regular scheduled work period on such following day.

Section 4. An employee shall be paid at the rate of one and one-half times his/her regular hourly rate for the first eight hours of work on a Sunday. For work in excess of eight hours on a Sunday, he/she shall be paid at the rate of two times his/her regular hourly rate. Such double time shall not apply to hours worked as an accommodation in relieving a shift partner or to such extra hours as are required by regular shift changes.

Section 5. An employee shall receive a holiday allowance of eight hours' pay at his/her regular hourly rate for the holidays defined in Section 11 of Article VIII, A; provided, that, to receive this allowance for Christmas Day and New Year's Day, he/she must work on both his/her last scheduled day before and his/her next scheduled day after the holiday, and to receive this allowance for Decoration Day, the 4th of July, Labor Day, Veterans' Day, Thanksgiving Day, and the Day after Thanksgiving Day, he/she must work either his/her last scheduled day before or his/her next scheduled day after the holiday. An employee absent on his/her last scheduled day before or his/her first scheduled day after a holiday who is paid for the day because of a PTO Bank absence, personal illness, jury service, occupational injury, or who is excused because of official Union business, important personal business, or death in his/her family, shall not be disqualified from receiving the holiday allowance by such absence. An employee shall not receive the holiday allowance for a holiday when he/she cannot be excused and fails to work on such holiday on which he/she is scheduled to work.

An employee who works on a holiday shall receive pay at the rate of one and one-half times his/her regular hourly rate for the first eight hours of work and at the rate of two times his/her regular hourly rate for hours worked in excess of eight. Such pay will be in addition to the holiday allowance.

When a holiday which falls on Sunday is observed by the

Company on Monday, these holiday provisions apply only to such Monday, and when a holiday which falls on Saturday is observed by the Company on Friday, these holiday provisions apply only to such Friday.

Section 6. For the purpose of computing hours worked in excess of eight in a day or forty in a workweek, hours of absent time allowed during the employee's normal weekly work schedule which are paid for shall be counted. For an employee not assigned to a rotating shift schedule whose normal weekly work schedule is Monday through Friday, hours of absence which are excused but not paid for during such schedule because of personal illness, official Union business, personal business, or death in his/her family, shall be counted for the purpose of computing hours worked in excess of forty in a workweek.

Section 7. Hours worked by an employee in any workweek on which premium rates (i.e., one and one-half times or two times the regular hourly rate) have once been allowed shall not be used again in overtime computations.

Section 8. An employee shall receive an allowance of one hour of pay at his/her regular hourly rate when required to report immediately for emergency work. This is in addition to pay for time worked on the emergency, and shall not be counted as time worked in premium rate of pay calculations.

Section 9. The Company will, whenever possible, give a minimum of twelve hours' notice of any change in the starting time of an employee. In the event circumstances beyond the Company's control prevent the giving of twelve hours' notice of a change in starting time of an employee's scheduled work period and the hours worked in the first work period following such change in starting time with less than twelve hours' notice are paid at the employee's regular straight time hourly rate, an allowance of four hours at the employee's regular straight time hourly rate will be paid. Such allowance will be in addition to any payment made for time worked by the employee and will not be counted as time worked in premium rate of pay calculations.

Section 10. An employee who is promoted to a higher paid classification on an indefinite basis will have a seniority date in the higher paid classification and will receive the higher rate of pay as of the date of the promotion.

An employee who is temporarily required to work in a higher paid classification (for example, in relief of another employee or because of fluctuation in the work load) will receive the higher rate of pay for hours actually worked in the higher paid classification, except the employee will also receive the higher rate of pay for a holiday when he/she actually works in the higher paid classification on his/her last scheduled day before the holiday. However, if the employee continues to work in the higher paid classification for sixty (60) consecutive calendar days, with no absence from work on a scheduled workday for any reason whatsoever (for example, PTO Bank absence, death in the family, jury duty, and sickness), and is then regressed to a lower paid classification, he/she shall continue to receive the higher rate of pay for hours worked and absent time allowed during the first thirty (30) calendar days following the date on which he/she was regressed (the "carry-over period"), if otherwise eligible.

An employee who is involuntarily demoted to a lower paid classification on an indefinite basis or temporarily required to work in a lower paid classification shall continue to receive the higher rate of pay for hours worked and absent time allowed, if otherwise eligible, during the carry-over period.

If an employee who has been involuntarily demoted or regressed is temporarily returned to the higher paid classification during the carry-over period, then the carry-over period will recycle and commence again on the day he/she last returns to work in the lower paid classification.

An employee who is demoted to a lower paid classification, at his/her request for any reason other than health, will receive the lower rate of pay as of the date of demotion, and the carry-over period will not apply.

B. Clerical Employees

Section 1. The Classification of Positions and Schedule of Rates attached hereto as Exhibit II shall be in force and effect during the term of this Agreement and any renewal thereof.

Section 2. Subject to the provisions of Sections 3 and 4 of this Article IX, B, an employee shall be paid at the rate of one and one-half

times his/her regular hourly rate for hours worked outside of his/her regular work schedule.

Section 3. An employee shall be paid at the rate of two times his/her regular hourly rate for work in excess of eight hours on a Sunday except that for hours worked in excess of eight, as an accommodation for another employee, he/she shall be paid at the rate of one and one-half times his/her regular hourly rate.

Section 4. An employee shall receive a holiday allowance of eight hours pay at his/her regular hourly rate for the holidays defined in Section 5 of Article VIII, B; provided, that to receive this allowance for Christmas Day and New Year's Day, he/she must work on both his/her last scheduled day before and his/her next scheduled day after the holiday, and to receive this allowance for Decoration Day, the 4th of July, Labor Day, Veterans' Day, Thanksgiving Day, and the Day after Thanksgiving Day, he/she must work either his/her last scheduled day before or his/her next scheduled day after the holiday. An employee absent on his/her last scheduled day before or his/her first scheduled day after a holiday who is paid for the day because of a PTO Bank absence, personal illness, jury service, occupational injury, or who is excused because of official Union business, important personal business, or death in his/her family, shall not be disqualified from receiving the holiday allowance by such absence. An employee shall not receive the holiday allowance for a holiday when he/she cannot be excused and fails to work on such holiday on which he/she is scheduled to work.

An employee who works on a holiday shall receive pay at the rate of one and one-half times his/her regular hourly rate for the first eight hours of work and at the rate of two times his/her regular hourly rate for hours worked in excess of eight, except that for hours worked in excess of eight as an accommodation for another employee, he/she shall be paid at the rate of one and one-half times his/her regular hourly rate. Such pay will be in addition to the holiday allowance.

When a holiday which falls on a Sunday is observed by the Company on Monday, the holiday provisions apply only to such Monday, and when a holiday which falls on Saturday is observed by the Company on Friday, these holiday provisions apply only to such Friday.

Section 5. A night shift premium of \$1.35 per hour shall be added to the regular rate of pay of an employee for work scheduled on a shift beginning not earlier than 3:30 p.m. and ending not later than 8:00 a.m. If an employee scheduled to work such a shift is required to continue working beyond the scheduled work period, he/she shall receive the shift premium for such additional hours worked. The applicable night shift premium shall be added to the regular hourly rate in computing premium pay, but it shall not be added in computing any absent time allowed pay.

Section 6. The Company will, whenever possible, give a minimum of twelve hours' notice of any change in the starting time of an employee. In the event circumstances beyond the Company's control prevent the giving of twelve hours' notice of a change in starting time of an employee's scheduled work period and the hours worked in the first work period following such change in starting time with less than twelve hours' notice are paid at the employee's regular straight time hourly rate, an allowance of four hours at the employee's regular straight time hourly rate will be paid. Such allowance will be in addition to any payment made for time worked by the employee and will not be counted as time worked in premium rate of pay calculations.

ARTICLE X - TUESDAY THROUGH SATURDAY WORKWEEK

Section 1. Notwithstanding any other provision of this Agreement, the Company may establish a Tuesday through Saturday workweek in the Field Service Department.

Section 2. The following conditions will apply to the Tuesday through Saturday workweek:

- (a) The Tuesday through Saturday workweek will have starting times of 7:00 a.m., 8:00 a.m., 8:30 a.m., and 10:00 a.m.
- (b) The Company will determine the complement of employees required for each of the Tuesday through Saturday starting times.

- (c) Assignment to the Tuesday through Saturday starting times will be based on classification seniority. Senior employees who volunteer will be given preference, provided that an employee who volunteers may exercise his/her seniority to return to the regular Monday through Friday schedule after six (6) months of assignment to the Tuesday through Saturday workweek. If the number of volunteers is insufficient, the least senior employees will be assigned.
- (d) Employees who are required to work the 10:00 a.m. starting time on the regular Monday through Friday workweek because of their seniority will not be allowed to volunteer for the Tuesday through Saturday workweek or the schedules authorized by Section 3 below.
- (e) Whenever the Company is utilizing the Tuesday through Saturday workweek, Sundays and holidays (excluding the holidays of Thanksgiving Day, Christmas Day, and New Year's Day) will be combined for purposes of equalizing overtime of all employees in the Department.

Section 3. For the purpose of reducing the need to assign employees to the Tuesday through Saturday workweek on an involuntary basis, the Company will establish a work schedule of four ten-hour days, Wednesday through Saturday ("4/10 Saturday Schedule"). The following conditions will apply to the 4/10 Saturday Schedule:

- (a) The hours of work of the 4/10 Saturday Schedule will be 7:00 a.m. to 5:30 p.m., with a 30-minute unpaid lunch period.
- (b) Only volunteers will be assigned to the 4/10 Saturday Schedule.
- (c) Employees will be allowed to volunteer for the 4/10 Saturday Schedule for three four-month periods: August 1 through November 30, December 1

through March 31, and April 1 through July 31 (adjusted in each case to coincide with the beginning and end of a pay period). Employees who volunteer for this Schedule must remain available for assignment thereto during the entire four-month period unless excused by the Company.

- (d) The Company will assign volunteers to work the 4/10 Saturday Schedule based on seniority in the applicable classification, with preference being given to employees with greater seniority.
- (e) If an adequate number of employees volunteer for the 4/10 Saturday Schedule, the Company will utilize such volunteers to fill its anticipated day shift Saturday need during the relevant four-month period. However, the Company will not be required to staff more than 50% of its anticipated day shift Saturday need with volunteers and may meet the balance of such need with employees assigned, on either a voluntary or involuntary basis, to a Tuesday through Saturday workweek.
- (f) Employees assigned to a 4/10 Saturday Schedule will operate throughout the shift as a one-person crew (4:30 p.m. doubling-up practices will not apply) unless the Company decides to pair up employees for all or part of the shift because of safety considerations, the nature of the work, or other reasons.
- (g) Notwithstanding any other provisions of this Agreement, employees assigned to a 4/10 Saturday Schedule will be paid their regular rate of pay (straight-time) for all hours worked on their 4/10 Saturday Schedule, including Saturday itself. They will receive time and one-half their regular rate of pay for hours worked in excess of ten on any day which is part of their 4/10 Saturday Schedule.

- (h) The treatment of employees assigned to a 4/10 Saturday Schedule for purposes of benefit and paid-time-off programs will be in accordance with the written procedure dealing with 10/40 Work Schedules in the Field Service Department and other departments (Exhibit N to the Memorandum of Offer of April 30, 2001), except as provided in Section 4 below. However, the parties agree that the Company has broad latitude to interpret and apply such written procedure so long as it achieves substantial fairness between employees assigned to traditional eight-hour-day work schedules and employees assigned to ten-hour-day work schedules.

Section 4. During a week in which there is a holiday recognized by the Company under Article VIII-A, Section 11, employees assigned to a 4/10 Saturday Schedule will be reassigned to a Tuesday through Saturday workweek on the day shift. The following special conditions will apply to the holidays of such employees and all other employees assigned to a Tuesday through Saturday workweek.

- (a) If the Company observes a holiday on Monday, the employee will have his/her holiday on the next day, Tuesday.
- (b) If a holiday falls on Saturday, the employee will have his/her holiday on Saturday rather than on the preceding Friday.
- (c) In all other cases, the employee will have his/her holiday on the day specified in Article VIII-A, Section 11.

Section 5. The following Sections of Article IX-A will apply to employees assigned to the Tuesday through Saturday workweek: Sections 1, 2, 3, 5, 6, 7, 8, 9 and 10. Employees assigned to the Tuesday through Saturday workweek will not be eligible for any overtime rates of pay except as provided in these Sections.

Section 6. The Company does not intend to implement the Tuesday through Saturday workweek in any department of the Company other than the Field Service Department for the foreseeable future. The Company therefore commits to the Union that it will not implement such workweek in any other department prior to May 1, 2011. This section of the Agreement shall survive the expiration of this Agreement and any successor Agreement expiring prior to May 1, 2011.

Article XI - Operations Apprentice

Section 1. The Company may utilize a classification of employees, titled "Operations Apprentice," in accordance with the following:

Section 2. As used herein, the term "locations/departments" refers to North District, South District, Central District, Meter Reading, Meter Testing and Repair, and Transportation.

Section 3. Operations Apprentices are members of the bargaining unit and are required to join the Union and remain members in good standing, in accordance with Article I, Section 5 of this Agreement. As with other classifications, Gas Operations management will determine the complement of Operations Apprentices required at each location/department and on each recognized shift and work schedule.

Section 4. Operations Apprentice may be utilized to perform the following functions:

- a) Meter reading
- b) B-box monitors and smokestack surveys and remedial action including shutting valves, installing locks or plugs and removing meters
- c) Shut-offs, both collection and normal, and meter removals on bars (up to 630 cfh, 1 ¼" outlet)
- d) ERT installations, changes, and/or maintenance
- e) Locating (volunteers will be solicited)
- f) Inside safety inspections
- g) Leak surveys
- h) Valve inspections (excluding "Network" valves)
- i) Corrosion inspections

- j) Exposed piping surveys
- k) Entry-level work in the Transportation Section
 - i) Oil changes (cars, vans, pick-ups)
 - ii) Preventive maintenance work (fluid, bulb, and wiper replacement)
 - iii) Garage clean-up
 - iv) Parts inventory (pick-up, receive, stock, and issue)
 - v) Tire maintenance, repair, and replacement (cars, vans, pickups)
- l) Meter Testing and Repair entry-level tasks excluding
 - i. Partial repair of meters
 - ii. Special inspections
 - iii. Technical work involved in facility maintenance
 - iv. Accuracy tests
 - v. Adjust repairs to diaphragm meters
- m) "Laborer" tasks in any operating department
- n) Verification of "Gas Off" orders
- o) As an additional employee in a Distribution crew of two or more persons
- p) Working as the second employee in a Service crew
- q) Classifying leaks as Class 1 or 2 when performing any of the above duties.

Section 5. All employees on the payroll on April 30, 2005 in the Gas Surveyor, Utility Specialist, Meter Reader, Laborer, and ERT Installer job classifications will be placed in the Operations Apprentice classification, regardless of their disciplinary record, and part-time Meter Readers will be moved to full-time status.

Section 6. Operations Apprentices may be required to work the night shift and the Tuesday through Saturday work schedule. However, employees on the payroll on April 30, 2005 will not be required to work the night shift or the Tuesday through Saturday work schedule as Operations Apprentices unless they are currently assigned to this shift or schedule. Operations Apprentices hired on or after May 1, 2005 will be assigned to the night shift or the Tuesday through Saturday work schedule on a reverse seniority basis in the absence of volunteers.

Section 7. When an opening occurs in the Operations Apprentice classification on a shift or work schedule other than the night shift or the Tuesday through Saturday work schedule, the following

procedure will be followed: Employees classified as Operations Apprentices will have the ability to bid on such opening based on seniority, provided that such bidding will be only for the purpose of transferring to a new location/department. The opening created by the transfer of the successful bidder, unless it is an opening on the night shift or the Tuesday through Saturday work schedule, will be offered only to the Operations Apprentices on the night shift or the Tuesday through Saturday work schedule. No further bidding will be allowed in connection with that particular opening.

Section 8. Openings, which the Company deems necessary to fill in a higher-rated classification, e.g., Gas Mechanic and/or Service Specialist, will be filled by promotion from the Operations Apprentice classification on a seniority basis, regardless of the current location/department of the Operations Apprentice. Operations Apprentices who have received a disciplinary layoff of more than eight hours within the two years preceding the date of the announcement of the opening are not eligible for promotion, but Gas Operations management may waive this restriction.

Employees holding the titles of Meter Reader or Gas Surveyor- Over 2 Years on April 30, 2005 will have first right, on a seniority basis, to bid on Gas Mechanic positions before the remainder of the Operations Apprentices. Employees currently holding the title of Utility Specialist on April 30, 2005 will have first right, on a seniority basis, to bid on Service Specialist positions before the remainder of the Operations Apprentices.

Section 9. Operations Apprentices promoted into higher-rated classifications will be required to successfully complete a 180-day probationary period. If Gas Operations management decides, for any reason, that a former Operations Apprentice is not suitable for continued employment in the higher-rated classification, the former Operations Apprentice will be returned to the Operations Apprentice classification with no loss of classification seniority. The Company may take appropriate disciplinary action, up to and including discharge, for any misconduct which occurs during the probationary period, provided that the Union may file a grievance with respect to that disciplinary action under Article IV.

Section 10. Operations Apprentices will be required to have

and maintain a valid driver's license, provided that this requirement will not apply to three employees without a driver's license on April 30, 2005. These three employees will be assigned to work as a helper on a Service crew, one in each District.

Section 11. As the Company determines appropriate or necessary, Operations Apprentices may be temporarily transferred from one location/department to another. The Company will notify the Union of specifics of the project/workload related to the transfers, the names of the transferees, and the date they will begin work at the location transferred. Management will post, one week in advance, the number of Operations Apprentices required to transfer on a temporary basis, the location(s)/department(s) to which the temporary transfer will be made, the location(s)/department(s) determined by Gas Operations management to have surplus employees, and the shift to which the transferred Operations Apprentices will be assigned. Operations Apprentices at the locations/departments determined by Gas Operations management to have surplus employees may volunteer on a seniority basis to transfer. If there are insufficient volunteers, then Operations Apprentices at the locations/departments determined by Gas Operations management to have surplus employees may be required to transfer on a reverse seniority basis, but this requirement will be limited to Operations Apprentices hired after May 1, 2005. Temporary transfers will be for a period no longer than eight (8) weeks during a rolling twelve (12) month period. Should the project/workload be extended, volunteers may remain at the transferred location for an additional eight (8) week period. Prior to a subsequent eight (8) week period extending the project/workload, original volunteers will be solicited to continue.

Section 12. During the months of November through April, one Operations Apprentice from each location may be reassigned to Meter Testing and Repair, and one additional Operations Apprentice from each location may be reassigned to Transportation. Volunteers will be given first preference on a seniority basis. If there are insufficient volunteers, Operations Apprentices will be reassigned on a reverse seniority basis, excluding those on the night shift or the Tuesday through Saturday work schedule.

Section 13. An Operations Apprentice who is promoted to a higher rated classification may elect to return voluntarily to the

Operations Apprentice classification within fourteen (14) calendar days from the date of the promotion without loss of classification seniority.

Section 14. Notwithstanding any of the provisions set forth above, eighteen Operations Apprentices newly hired from the outside after May 1, 2005 will be assigned to North District, South District, and Central District, on shifts and work schedules deemed appropriate by Gas Operations management, and no bidding rights shall exist with regard to these positions.

Section 15. The number of Operations Apprentices, including employees in the "Operations Apprentice-Temporary" classification, shall not exceed 175 at any time.

ARTICLE XII - MANAGEMENT RESPONSIBILITIES

Except as in this Agreement expressly limited, the management of the Company and the direction of the working forces covered herein, including the determination of the adequacy of supervision, the right to hire, suspend, discharge for proper cause, discipline, promote, demote, transfer, and lay off because of lack of work or for other proper reasons, shall continue to be vested in the Company. However, the Union may exercise its right to present grievances in accordance with Article IV for claimed wrongful suspensions, discharges, discipline, demotions, transfers, layoffs, or promotions within the unit.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate by their officers thereunto duly authorized all on the day and year first above written.

THE PEOPLES GAS LIGHT AND
COKE COMPANY

GAS WORKERS UNION,
LOCAL
18007, U.W.U.A., AFL-CIO

By

DESIREE ROGERS
President

By

JAMES M. GENNETT
President

EDWARD DOERK
Vice President, Gas Operations

JOHN GROENWALD
Business Manager

DENISE J. COOPER
Vice President, Human Resources

CHARLES WILLIAMS
Vice President

LAURA J. TORNAQUINDICI
Director, Human Resources

PATRICK J. DILLON
Recording Secretary

EDMUND E. PETERSON
*Senior Human Resources
Representative*

CARLOS OCASIO
Financial Secretary-Treasurer

JOHN J. JUST
General Manager, Field Operations

RICHARD PASSARELLI
Trustee

AL JACOBS
Trustee

RALPH RUIZ
Trustee

EXHIBIT I

CLASSIFICATION OF POSITIONS

and

SCHEDULE OF RATES

PRODUCTION AND MAINTENANCE EMPLOYEES

EXHIBIT I

OPERATIONS DIVISION

**NORTH, SOUTH, CENTRAL DISTRICTS, FLEET MANAGEMENT, MATERIALS
MANAGEMENT, GAS OPERATIONS SECTIONS**

Position	Regular Hourly Rate		
	Effective	Effective	Effective
	May 1, 2005	May 1, 2006	May 1, 2007
Operations Apprentice - Temporary	12.95 (a)	\$13.34 (a)	\$13.80 (a)
Operations Apprentice - First 2 Years	15.23	\$15.69	\$16.24
Operations Apprentice - Over 2 Years	16.19	\$16.68	\$17.26
Operations Apprentice - Over 4 Years	17.30	\$17.82	\$18.45
Operations Apprentice - Over 6 Years	18.89	\$19.46	\$20.14

(a) This rate paid to employees hired on a temporary basis for summer employment. Such employees are not eligible for paid holiday allowances or any other paid absent time allowed.

All time-step increases are subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).

EXHIBIT I (Continued)

DISTRIBUTION DEPARTMENT
NORTH, SOUTH, AND CENTRAL DISTRICT SHOPS

Position	Regular Hourly Rate		
	Effective	Effective	Effective
	May 1, 2005	May 1, 2006	May 1, 2007
Gas Mechanic	18.89 (a)	19.46 (a)	20.14 (a)
Gas Mechanic - Over 2 Years	19.92	20.52	21.24
Gas Mechanic - Over 4 Years	21.47 (b)	22.11 (b)	22.88 (b)
Gas Mechanic - Over 6 Years	22.50	23.17	23.98
Gas Mechanic - Over 8 Years	23.75	24.46	25.32
Gas Mechanic - Over 10 Years	26.98	27.78	28.76
Carpenter	29.60	30.49	31.56
Equipment Operator No. 1	29.64	30.53	31.60
Crew Leader, Distribution (Reserve)	30.83	31.75	32.86
Crew Leader, Distribution	30.52	31.43	32.53
Crew Leader, Distribution	31.10 (c)	32.03 (c)	33.15 (c)
Maintenance Mechanic No. 2	23.63	24.34	25.19
Maintenance Mechanic No. 1	25.56	26.33	27.25
Welder	29.60	30.49	31.56
Crew Leader, Welding	30.15	31.05	32.14
Toolkeeper	28.41	29.26	30.28
Street Mechanic No. 1	28.46 (d)	29.31 (d)	30.34 (d)
Mechanic Operator	29.60 (e)	30.49 (e)	31.56 (e)

EXHIBIT I (Continued)

**DISTRIBUTION DEPARTMENT
NORTH, SOUTH, AND CENTRAL DISTRICT SHOPS**

-
- (a) Must pass a physical abilities test to enter position. Upon entering position, must successfully complete training and testing requirements and thereafter complete a 180 day probationary period. Must obtain a "Class A" commercial driver's license with hazardous materials endorsement within six months of entering this position. An employee who does not obtain such a license will be returned to the Operations Apprentice classification with no loss of classification seniority.
 - (b) Must successfully complete training and testing requirements for covered tasks in the Gas Mechanic position to qualify for this rate.
 - (c) Rate paid to Crew Leader, Distribution when installing new main 12" in diameter or larger.
 - (d) No employees may enter this position after May 1, 1998.
 - (e) No employees may enter this position after May 1, 2001.

Gas Mechanic – Over 10 Years rate will be minimum rate paid for all work in main tunnels under rivers.

All time-step increases are subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).

EXHIBIT I (Continued)

**ENGINEERING DEPARTMENT
GAS OPERATIONS SECTION**

Position	Regular Hourly Rate		
	Effective	Effective	Effective
	May 1, 2005	May 1, 2006	May 1, 2007
Operations Apprentice - Temporary	12.95 (a)	13.34 (a)	13.80 (a)
Vault Mechanic II	15.60 (b)	16.07 (b)	16.64 (b)
Vault Mechanic II - Over 180 Days	16.19	16.68	17.26
Vault Mechanic II - Over 2 Years	18.89 (c)	19.46 (c)	20.14 (c)
Vault Mechanic II - Over 4 Years	20.27	20.88	21.61
Vault Mechanic II - Over 6 Years	22.02	22.68	23.48
Vault Mechanic II - Over 8 Years	23.77	24.49	25.34
Vault Mechanic II - Over 10 Years	25.52	26.29	27.21
Vault Mechanic I	29.60	30.49	31.56
Station Mechanic	29.60	30.49	31.56
Electrician	29.60	30.49	31.56

- (a) This rate paid to employees hired on a temporary basis for summer employment. Such employees are not eligible for paid holiday allowances or any other paid absent time allowed.
- (b) Upon entering position, must successfully complete a 180-day probationary period.
- (c) Must successfully complete training and testing requirements for covered tasks in the Vault Mechanic II position to qualify for this rate.

All time-step increases are subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).

EXHIBIT I (Continued)

ENGINEERING DEPARTMENT
FLEET MANAGEMENT SECTION

Position	Regular Hourly Rate		
	Effective	Effective	Effective
	May 1, 2005	May 1, 2006	May 1, 2007
Auto Mechanic	\$21.34	\$21.98	\$22.75
Auto Mechanic - Over 2 Years	23.75	24.46	25.32
Auto Mechanic - Over 4 Years	26.24	27.03	27.98
Auto Mechanic - Over 6 Years	29.80	30.69	31.77
Garage Crew Leader, Nights	30.15	31.05	32.14
Auto Mechanic	30.20 (a)	31.11 (a)	32.19 (a)

- (a) Rate paid to Auto Mechanic when replacing Supervisor, Transportation.

All time-step increases subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).

**FIELD SERVICE DEPARTMENT
NORTH, SOUTH, AND CENTRAL DISTRICT SHOPS**

Position	Regular Hourly Rate		
	Effective	Effective	Effective
	May 1, 2005	May 1, 2006	May 1, 2007
Service Specialist	21.93	22.59	23.38
Service Specialist - Over 2 Years	22.71	23.39	24.21
Senior Service Specialist No. 2	26.94	28.01	28.99
Senior Service Specialist No. 1	29.60	30.49	31.56

All time-step increases subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).

**FIELD SERVICE DEPARTMENT
METER TESTING AND REPAIR SECTION**

Position	Regular Hourly Rate		
	Effective May 1, 2005	Effective May 1, 2006	Effective May 1, 2007
Meter Prover	\$21.47	\$22.11	\$22.88
Meter Mechanic	25.61	26.37	27.30
Master Meter Mechanic	29.67	30.56	31.63
Tool Repairer	23.75	24.46	25.32
Tool Repairer	25.61	26.37	27.30
Tool Repair Specialist	28.41	29.26	30.28
Tool Keeper	28.41	29.26	30.28
Blacksmith	29.60	30.49	31.56
Electrician	29.60	30.49	31.56
Machinist	29.60	30.49	31.56
Welder	29.60	30.49	31.56

EXHIBIT I (Continued)

**ENGINEERING DEPARTMENT
MATERIALS MANAGEMENT SECTION**

<u>Position</u>	<u>Regular Hourly Rate</u>		
	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>
	<u>May 1, 2005</u>	<u>May 1, 2006</u>	<u>May 1, 2007</u>
Operations Apprentice - Temporary	12.95 (a)	13.34 (a)	13.80 (a)
Material Handler	15.60 (b)	16.07 (b)	16.64 (a)
Material Handler - Over 1 Year	17.98	18.52	19.17
Material Handler - Over 2 Years	19.99	20.59	21.31
Material Handler - Over 3 Years	22.37	23.04	23.85
Material Handler - Over 4 Years	24.75 (c)	25.49 (c)	26.39 (c)
Material Deliverer	25.64 (c)	26.41 (c)	27.33 (c)
Lead Material Handler	26.15 (c)	26.94 (c)	27.88 (c)

- (a) This rate paid to employees hired on a temporary basis for summer employment. Such employees are not eligible for paid holiday allowances or any other paid absent time allowed.
- (b) Upon entering position, must successfully complete 180-day probationary period.
- (c) Current employees with hourly rates exceeding these rates will have their rates of pay frozen at the April 30, 2001 amount until the appropriate rate equals or exceeds their frozen rate.

All time-step increases are subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).

EXHIBIT II

CLASSIFICATION OF POSITIONS AND SCHEDULE OF RATES

**CLERICAL EMPLOYEES
FIELD SERVICE DEPARTMENT
METER TESTING & REPAIR SECTION**

<u>Position</u>	<u>Regular Hourly Rate</u>		
	<u>Effective</u>	<u>Effective</u>	<u>Effective</u>
	<u>May 1, 2005</u>	<u>May 1, 2006</u>	<u>May 1, 2007</u>
Clerk - Temporary	\$12.35 (a)	\$12.72 (a)	\$13.17 (a)
Clerk	14.53	14.97	15.49
Clerk - Over 2 Years	16.15	16.63	17.22
Clerk - Over 4 Years	18.14	18.68	19.34
Clerk - Over 6 Years	19.76	20.35	21.06
Clerk - Over 8 Years	21.74	22.40	23.18
Clerk - Over 10 Years	23.73 (b)	24.44 (b)	25.30 (b)

- (a) This rate paid to employees hired on a temporary basis for summer employment. Such employees are not eligible for paid holiday allowances or any other paid absent time allowed.
- (b) Employees with an hourly rate exceeding the Clerk – Over 10 Years rate will have their rates of pay frozen until the Clerk – Over 10 Years rate equals or exceeds their frozen rate.

All time-step increases subject to satisfactory performance. Any combination of absences from normal duties because of personal illness, occupational injury (lost-time and light duty), or personal leave of absence in excess of forty-four (44) workdays will extend the service requirement for any time-step increase by an amount which equals the number of workdays of absence in excess of twenty-two (22).